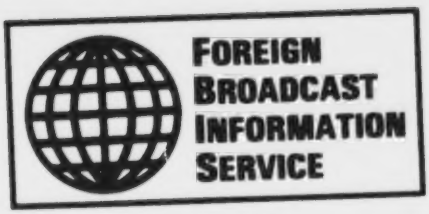

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Bosnia-Hercegovina

Sarajevo Radio reports that President Izetbegovic refused President of the "Serbian Democratic Party of Bosnia-Hercegovina" Karadzic's request for a cease-fire. Instead, Izetbegovic appealed to the citizens of Sarajevo to endure "the defense of Sarajevo."

Izetbegovic termed possible U.S. intervention as "not realistic" and instead suggested that "it would be more realistic for the EC to intervene, that is to say, that such a decision be made at the CSCE session scheduled for 29 April."

Romania

The Treaty Between Romania and Germany on Friendly Cooperation and Partnership in Europe and a government accord in the area of management were signed at the Ministry of Foreign Affairs in Bucharest today. Hans-Dietrich Genscher, vice chancellor and federal minister of foreign affairs of Germany, and Romanian Minister of Foreign Affairs Adrian Nastase were present as signatories. In a news conference, Nastase was quoted as saying that "we rely on Germany's full assistance in our efforts regarding Romania's association with the European Community and the West European Union, and regarding developing partnership relations with NATO, and, in general, regarding our country's integration in European structures."

Czechoslovakia

CSTK on 21 April reports the Foreign Ministry's condemnation of the "escalation of nationalism and violence in Bosnia-Hercegovina, particularly by militant Serbian and also Croatian irregulars." According to CSTK, the statement condemns interference in Bosnia-Hercegovina by neighboring countries, and "strongly condemns" the involvement of the Yugoslav People's Army "which is supporting Serbs in the conflict."

CSTK on 22 April reports the Czechoslovak Parliament approved an accord for association with the EC. The agreement was originally signed by representatives of Czechoslovakia, Hungary, Poland, and the EC on 16 December. According to Foreign Minister Jiri Dienstbier, the accord—which still requires the endorsement of President Vaclav Havel—is an "instrument" that will aid preparations for Czechoslovakia's "later admission as a full-fledged EC member."

Poland

Maciej Jankowski, head of Solidarity's Warsaw Chapter, told PAP that Solidarity's 24 April nationwide demostration is "another serious warning for the elites" and a call for the government to implement "employee-minded reforms" and counteract "chaos" in the economy and on the political scene. Jankowski emphasizes the need for government powers to be "clearly defined" by the legislature with "the approval of trade unions," according to PAP. He said that he expects the demonstration to be attended "by delegations from all over Poland."

RZECZPOSPOLITA carries a commentary on Prime Minister Jan Olszewski's visit to the United States that states that "Poland's voice was heard" and "Washington's concern" was demonstrated for establishing democracy and a free market in Poland. The commentary goes on to point out that the visit "was essential to restore our country's good image in Washington" because "even across the ocean there has been criticism of what is happening" in Poland. In conclusion, the commentary assesses that "despite previous expectations, the prime minister's visit was an unexpected success" and "another breakthrough in the history of U.S.-Polish relations."

Bulgaria

The Foreign Ministry issued a statement on 21 April, reported by BTA, in which it "categorically denies" that Turkey shipped arms and "military experts" to Macedonia via Bulgaria, as reported in the 21 April edition of the Greek newspaper AVGHI. The statement further says that "the allegation is totally unsubstantiated" and a "gross misrepresentation" of Bulgaria's respect for nonintervention in the internal affairs of another country.

Bosnia-Hercegovina Independence Recognized

AU2204103292 Tirana ATA in English 0948 GMT 22 Apr 92

["Statement of the Government of the Republic of Albania for Recognizing the Independence of the Republic of Bosnia-Hercegovina"—ATA headline]

[Text] Tirana, April 22 (ATA)—The government of the Republic of Albania, respecting peoples' right for self-determination, basing on the fundamental principles embodied in the Final Helsinki Act, the Paris Charter, and other CSCE documents and in the context of implementing its policy of good neighbourliness, declares that it recognizes the independence of the Republic of Bosnia-Hercegovina. The acts for establishing the diplomatic relations with this sovereign and independent state will be done according to a bilateral agreement.

The government and the Albanian people, hailing this significant event for the people of Bosnia-Hercegovina, at the same time express the conviction that the creation of this new and independent state will further contribute to the solution of the Yugoslav crisis, will restore tranquility and will not instigate other fightings in ex-Yugoslavia. They are also sure that the new independent state of Bosnia-Hercegovina will contribute to the maintainance of peace and stability in the Balkans.

On this occasion, the Government of the Republic of Albania wants to remind the whole democratic world, particularly Europe and the USA, to powerfully contribute to the solution of the just demands of the Albanians living in their territories of ex-Yugoslavia, to be on a par in the European Community, putting an end once and for all to the injustices at their expense.

Prime Minister Meksi Presents Government Program

AU1804142592 Tirana Radio Tirana Network in Albanian 0815 GMT 18 Apr 92

[Speech by Prime Minister Aleksander Meksi presenting the government's program at the People's Assembly in Tirana—live]

[Text] Honorable deputies, ladies and gentlemen:

This is a proud moment in the history of our country. Communism is finished in Albania. We come here today before you as the first democratic government of Albania. As a democratic government, we will present to you our country's problems and how we will support our national progress, which is in essence radically different from the communist methods of governing.

In the new democratic regime we will be led by these basic principles:

1. The human being and not the state, government, or political party is the supreme subject. This means that all the people enjoy the freedom that they lacked before, the freedom to think, to express their ideas and opinions, to pursue those economic and social solutions, etc., that are fruitful. The role of the government is to defend these freedoms now and not to limit them.
2. We will live under the rule of law. This holds true for all the citizens and the government. No person, party, or governmental institution is privileged before the law.
3. In democratic Albania the people will be valued according to their merits. Their position in society will be determined by their abilities and the duties they perform, and not by party privileges or an official post.
4. The role of the government is to form a framework in which our people can test their possibilities and abilities and use them to the maximum for themselves. The government has neither the intention nor the capacity to operate the economy and distribute resources among the population. Our prosperity depends on to what extent we allow the market economy to flourish. The communist regimes throughout the world have undoubtedly demonstrated that an economy led and governed by the state is unable to operate. The Albanians know this better than anyone else.
5. In this phase of transition from the socialist economy to the market economy, we are conscious that great difficulties are and will be created in the people's lives. A general and deep crisis has gripped the Albanian economy. The chronic unemployment, high prices, low salaries, shortages of basic foodstuffs' supply, and irregularities in water supply, lighting, and heating cannot be eliminated within several days. There is only one way out: The application of radical reforms in the economy as shown by the experience of former Eastern countries. Our mission as a government is to boldly begin this reform, without which there can be no foreign economic aid and we cannot make use of our country's resources.

The Program of Economic Reforms

The economic system that guarantees the stability and prosperity of a nation is the market economy set in motion by the private property of free individuals. The market economy is not a change of label of the socialist economy. It requires setting economic mechanisms in motion, establishing a regular law governed system and free competition, and abolishing official bureaucracy in the economy. It also requires the integration of our economy into the world economy to allow foreign investment, the modernization of technology, and an increase in our people's abilities.

I will deal with several main directions of this reform:

1. Private ownership and the possibilities it opens

In a market economy the means of production are, in the first place, in the hands of the private traders. This means that the enterprises are run by private persons, i.e. the individual and not the government is responsible for

the promotion of work. Meanwhile, individuals are allowed to gain the profits that come out of their efforts and initiatives. The state will gradually weaken its leading role in the economy, because the past 46 years of experience clearly testify to its inability to ensure a high living standard for the people. Moreover, the systems based on a market economy have brought forth dynamic, rich, and free societies everywhere in the world. To establish private ownership and the possibilities it offers the government will pursue the following policies:

a. The privatization of agricultural land

The government will propose to the People's Assembly that it improve and complete the Land Law on the basis of contemporary juridical criteria, present the law within an optimal time, and solve already-known problems, such as the creation of a land market, renting of land, etc. In this framework, we will solve the problem of compensation for former land owners whose land has been confiscated without reward and bring them to the level of mid-level peasants according to international standards. This requires setting up a special commission that will thoroughly examine all the questions related to it. We are convinced that as the peasantry with its goodwill supported land privatization, in the same way it will properly understand the fulfillment of the complete reform in agriculture. At present, nearly 68 percent of the land distribution has been completed.

Among the factors that have obstructed the completion of land distribution are the poor work done by the Ministry of Agriculture, the Central Land Distribution Commission, the districts, and the opinions of other political forces that have incited the farmers to wait, saying the law may change. We declare before the public that we will not recognize and will not apply the existing law and the title deeds that will soon be distributed on the basis of this law. The land distribution cannot be completed by sentimentalism and subjectivism. The law constitutes an obligation to be unhesitatingly executed. For this reason we intend to define a schedule to complete the land distribution as soon as possible.

b. The privatization of enterprises

The most urgent problem of the economic reform is privatizing enterprises, a process that began a year ago. The government should give it priority, considering all the dangers that result from mistakes, misinterpretations, interference, and corruption. One thing is essential: The privatization of enterprises will be further rapidly stimulated in trade, services, transportation, fishing, etc. The second step concerns the enterprises of the light and food industry, in which there are more difficulties resulting from the inclinations toward giantism inherited from the socialist system. As easy as the privatization of a store appears, the privatization of combines, such as those of food, fishing factories, and clothing enterprises, in which hundreds and thousand of workers are employed, is more difficult and complex. The degree of difficulty is increased, because between last year and now many enterprises have been destroyed. The experts advise: Before privatizing the enterprises we should divide and restructure them. The privatization of heavy industry is a more complex undertaking and it will require more time, at least four or five years. One of the ways to privatize heavy industry will be to distribute securities free of charge to the adult population. They will have the right to freely and willingly exchange them for the stocks of enterprises that will be privatized during this period. Alongside this method, a variety of other forms will be used, including private sales, selling by auction, joint enterprises, and authorized management by and contracts with foreign firms.

c. Reform in enterprises

To make privatization possible, we should create an appropriate environment for the development of state enterprises. We will soon present the revised law on enterprises that will return to state enterprises the majority of the freedoms that the rising private trade enjoys now. State enterprises will have the right to sell their products to buyers they choose themselves and to the state. They will enter into contracts for buying goods just like the other consumers. The state and private enterprises will be free to buy raw and other materials from every seller and to freely decide on more favorable prices. These measures will enable and encourage the state enterprise to seek new markets for their products. The amendments to the law on enterprises will be focused on a more proper arrangement of the relations among employment, rewards, and management of state enterprises by improving the norms related to electing managing councils and appointing their chairmen.

Agricultural enterprises constitute one of the most acute and key problems of agriculture. The optimal solution to this problem according to modern economic concepts will be an urgent task of the government. We think that the existence of agricultural enterprises as units of concentrated agricultural production ensures all the technological and economic advantages for them to sustain themselves, compete with their products, and attract investment from foreign and domestic investors. Through being reorganized into private shareholding companies, they will be completely separate from the state budget. The state will maintain the same relations with these enterprises as it does with all other private economic subjects. The state will find forms to help them, especially during the first phases and to oriente them toward a closed production cycle. In several specific cases, a referendum on the enterprises' future and arrangement can be held. These economic transformations will be applied in the other enterprises of the agricultural system too. Fishing and, in part, water supply enterprises can be privatized, whereas the agricultural machinery enterprises will remain state property until the farmers gain their own independence.

d. Encouragement of the private sector

Privatization is one of the various aspects in our program to create an active private sector and new employment domains. We will also take steps to encourage the creation of new private firms. We observe with pleasure that

extensive new private trade has been developed in Albania during the last six months, especially in retail trade. We will adopt measures to encourage private business in all spheres of the economy. The most immediate measure will be the elimination of the monopoly position of many state trade activities. We will encourage foreign investments through making legal improvements for foreign investors and by encouraging joint ventures between foreigners and Albanians. Examining the Land Law will accelerate business in the agricultural sector too.

e. The privatization of apartments

We are developing a plan to transfer apartments from state property to private property. According to our plan, families will be given securities to enable them to buy houses, apartments, or other residences on the basis of their choice. As owners of their houses, the families will no longer be dependent on the government for repairing and maintaining them. Moreover, the families will be encouraged through investment to maintain and increase the value of their dwelling. People will be allowed to rent or sell their houses at no limit, thus allowing a housing market. The government will examine as soon as possible the question of returning or compensating former owners for houses, stores, and other nationalized property to an extent that will be defined by law.

2. Liberalization of prices

The process of price liberalization is vital and is one of the most acute problems following the present budget deficit and encourages economic efficiency in general. We all painfully accept the sudden rise in prices caused mainly by the great decrease in production and the creation of imbalances in our economy. Nevertheless, price liberalization has been and will continue to be necessary in making steps forward and in reforms. Our government will complete the process of price liberalization.

a. Retail prices

The first step will be establishing legislation that will eliminate the old forms of control over retail prices, with some exceptions. Food prices will be liberalized, reflecting the developments that have already occurred in the market. It is not coincidental that there is a great absence of articles from the market whose prices are under control and that they have become the subject of irregularities. The prices of some goods, primary services, and those products for which there is no competition, like electricity, oil products, telecommunication, etc., will remain under control.

b. Wholesale prices

The control over wholesale prices should also be eliminated. This will enable the enterprises to get the maximum income and will encourage the initiative to produce. We should find out which enterprises will survive and which will be compulsorily closed down. As many producers are in monopolist positions, an accompanying basic element for wholesale prices is the liberalization of foreign trade.

c. Trade liberalization

Price liberalization assumes full meaning when it is accompanied by trade liberalization. Thus, firms will be allowed to decide on prices themselves by discussing it with their clients and will in fact sell the goods to the clients who agree to a higher price.

1. Domestic trade

The government will abolish all the limitations that have remained in this field, including the agreements imposed by the government. Every person or firm will be allowed to buy goods or services from others here including the products of state enterprises and farms.

2. Foreign trade

The government aims to completely liberalize foreign trade. The licenses for exports and transport expenses will be eliminated to the greatest extent possible. Our country has an urgent need to have strong foreign currency reserves to face the necessary imports. We also aim to liberalize our import trade. Importers will be free to import what they want by buying the necessary foreign currency at the market rate.

4. [number as heard] Reform according to the sectors

a. In the finance sector

In a market economy, the use of accumulations in productive investments is of vital importance. Our economy has suffered from the practice of giving financial and bank credits without economic arguments. We should put an end to this practice. The government has presented to parliament for its approval the laws on the Central Bank and on the banking system. These laws will enable the division of the Albanian State Bank, part of which will be renamed the Bank of Albania.

From the other bank operations

The Bank of Albania will be responsible for establishing and maintaining the country's monetary stability and controlling the whole banking system. The bank will not give credits to enterprises or individuals. These will be functions of the trade banks. The trade banks will give credits only to economic units that are able to repay these credits and the interest associated with them. The state cannot and is not able any longer to accept the existence of debts and the inability to pay these state enterprises. Above all, the banks will respect the percentages of the market interest rates to cover the interest they should pay to their depositors. To limit the exploding inflationary increase of credit in the Albanian economy, as a temporary measure the Bank of Albania will limit the total amount of credit given to economic sectors. Nevertheless, the basic criteria in giving credit will be the credibility of every borrower.

b. In agriculture

The government will undertake to completely change the situation in agriculture and has long- and short-term targets. This radical change plays a multiple role in the social, political, and economic spheres. This will first be carried out by structuring the economic base and strengthening and consolidating the familiar agricultural economy. These changes will create a varied economy in which private property will prevail to a greater extent. State property, however, will remain only in special sectors and the state will apply its own social and environmental protection policy to it. Taking into consideration the present condition of Albanian farmers, the government will set up a special fiscal and credit policy to favor them. The land owners, i.e. all the present private farmers, will be directed and encouraged to create free forms of cooperation, something that has begun with the creation of several associations. The Albanian peasantry who lives in Europe does not deserve to live and work with the means and ways of management that Europe abandoned a hundred years ago. That is why the government will support them according to their free will. It will enable the peasantry to be organized on the basis of private property in the modern forms of agricultural production that are well-known and applied in the most advanced countries today.

An accompanying necessary element alongside price liberalization is the liberalization of trade in agricultural products. Farmers will be free to sell their products either to domestic traders or to the foreign market. To enable farmers to discuss more favorable prices for their products we must encourage the private businesses that will compete with state enterprises in the agricultural products' trade. That is why the state enterprises should not have any special advantages, such as subsidies or the special rights they enjoy today. Private farmers will not be able to achieve their potential in a market economy without being able to get credit.

c. The army, mines, and the infrastructure

The government will undertake its most important reform in industry, mines, and infrastructure. By determining and acting in accordance with state laws for 46 years, the state has intervened in every aspect of the development of transportation, communications, and energy by planning, financing, producing, maintaining, and selling their products. In fact, the state has held a monopoly over everything. This government will change the state's role. As mentioned before, the monopolies will be abolished, private firms will be encouraged to compete with each other, and services such as communications and transportation will lead to other improvements. The ministries will change their role and will have possession and control over production sectors in developing and applying economic policies of adjustment, such as regulating private enterprise management only when necessary.

Until sellers are privatized too, state enterprises will not get any more subsidies than they already have so far. These subsidies have discouraged competition and reduced the state budget to its current condition. Several state enterprises will continue to be state property, because this is conditioned by the existence of natural monopolies. But even these enterprises will be subject to a strict budget discipline to guarantee the return of investments that are financed by the state.

d. The legal system

The Albanian legal system should support the market economy. The government will undertake radical reformatory measures in this field:

1) we will compile a national constitution that will include the principles of private property and economic private initiative.
2) we will examine the civil code and include in it laws that determine the rights of private property and adjust relations related to private property.
3) we will establish a new trade code that will regulate the new and various forms presented by the economic units, such as stock companies, corporations, and partnerships.
4) we will also amend the labor code to deal with labor and management relations for private economic units that employ day- labor. The laws and amendments will include the code for the new banking system, which is necessary to help develop financial services in Albania.
5) the customs code will define the fiscal obligations that private enterprises or shops should pay to the state in the form of taxes or customs charges.

e. Local and state office employees

The government's reform program is highly dependent on how the state office employees vote for it. Our reformatory economic policies require that state office employees adopt a new and completely different role by obliging the people who work in the state apparatus to accept new direction in carrying out their job. Those who understand and adopt new management concepts will be encouraged and stimulated. There is no more room for those who determinedly stick to the old methods of management. The government will form a state civil system of office employees who have great professional abilities. Legislation will establish the necessary standards for the responsibilities, integrity, and conditions under which state employees should be employed.

The reforms regarding office employees and qualitative improvements in their work should also be carried out at the local level, so that the central government is applying its economic policy throughout the country. We will take measures to hold local elections within a few months. We will simultaneously propose to the parliament that it consider our claim to redefine the role and responsibilities of local institutions by including fiscal problems and their juridical administrative relations with the central government. Without carrying out the administrative

and democratic reform at the local level our political and economic revolution will be incomplete.

Other Aspects of the Government's Policy

In foreign policy the government will focus on encouraging international support in the political and economic fields to move the country toward democracy and the market economy. The government will work to internationalize the wider Albanian question by simultaneously respecting all the obligations deriving from international documents. To fulfill these targets, we consider relations with consolidated democracies, the United States, and Western Europe as primary and as a sure support for the new Albanian democracy. By valuing and genuinely supporting the European integration processes as a basis in consolidating democracy and developing the economy, the Albanian Government will make every effort to integrate Albania into the European institutions and political and economic structures.

In this context, we will rely on historic and traditional partners, such as Germany and Italy. At the same time, we are for strengthening all around relations with France, the United Kingdom, Austria, Hungary, the Scandinavian countries, and other European democratic countries. The Albanian Government appreciates NATO's contribution to security and stability in Europe. That is why the government will work to achieve a fruitful and particular cooperation with it in all possible aspects and to be integrated into its structures.

The policy of good neighborliness is especially important and for this we will pay attention to further developing relations with Greece. The Albanian Government will continue to respect all the rights of the Greek minority in Albania and will undertake the necessary steps to solve the problem of the people of Cam in conformity with international documents.

By relying on old friendly connections, we will further develop Albanian-Turkish relations in the interest of both countries and in the interest of stability in the Balkans.

The Albanian Government will further develop relations with former East European countries and will establish and develop fruitful relations with Slovenia, Croatia, and Bosnia-Hercegovina. The Albanian Government, which has the status of observer in the pan-Islamic conference, aims to develop and extend relations with those Arab countries that are engaged in developing democracy. Regarding Serbia and Montenegro, our goodwill and the desire to have normal relations can be fulfilled only when they stop repression and violence against the Albanian population who lives in the territories in the former Yugoslavia under their jurisdiction and when they recognize the legitimate right of this part of the Albanian nation to express its political will. We are for maintaining good relations with the Republic of Macedonia, but this is conditioned by respecting the rights and the will of the Albanian people in this republic. The Albanian Government will focus its attention on solving the question of the Albanians living in those territories in the former Yugoslavia and will rely on the examples followed by European civilization so far. Through contacts with the Republic of Kosovo and its legitimate government, we will undertake to solve this question through dialogue and peaceful means in conformity with the principle of self-determination.

The government is conscious that we cannot have a genuine turn in the country's economic and social development without making significant changes in education, culture, art, and scientific research. This should be reflected both in short and medium-term projects and in projects for the country's prospective development.

The government will ensure the fulfillment of the educational reform within the shortest possible time and the depoliticization and all around democratization at all levels. This will by all means require reformulating school plans, programs, and texts. We will work to compile new school legislation on the basis of its new structures and to rehabilitate and requalify other civil workers. To fulfill these targets, the school will broaden its competences to accept people on the basis of their abilities by giving the same chances to all young people. The government will pay special attention to improving students' living conditions and will strive to ensure greater opportunities for them to study abroad. Alongside the state school system we will also support private initiative in financing schools. An urgent and primary task will be the publication of new texts by printing some of them at home and the rest of them abroad within the framework of assistance.

To support research and development the government's program supports a new conception of the place and contribution of science in the progress of Albanian society. It is necessary that the targets, structures, and organization of scientific research be adopted to the social and economic processes of the market as soon as possible. We will compile the law on science and the status of the student and we will grant assistance depending on the level of national income. We will encourage individuals, place priority on stimulating people's talents, and strive to support scientists, not only at home but also at the international level, through free and limitless contacts and exchanges. Research and scientific activity will be considered a part of the teaching process in universities. With the active participation of research institutions and universities in joint U.S. and European projects, we should make every effort to support our specialists and make them equal to their foreign counterparts.

Culture and the arts will cease to be assistants to the Communist Party in educating young people with Marxism-Leninism. The government will endeavor to allow culture and the arts to assume a human and national character as much as they can, by preserving the inherited values and by stimulating and subsidizing new creativity. A full and complete legal framework will

support creativity in every field. We will give priority to talented young people. The government will endeavor to make cultural, artistic, and sports' life animated and to give it an appropriate place in the spiritual world of the people by opening it up to Europe through the extension of contacts.

We all know the exceptionally difficult and dramatic condition of the health service with its tremendous shortages in medicines and equipment. The aid that arrived recently addressed these shortages only in some sectors, while several other sectors remain completely paralyzed. The government will work to narrow the differences in various areas, between urban and rural locations, and increase the level of medical service. We will prepare legislation to ensure decentralization based on health insurance and supporting private initiative. Another important measure will be restructuring the health structures by regionalizing them. In fulfilling these, we are cooperating with the World Health Organization, the World Bank, and other agencies and negotiating to ensure financial support for this very complex but necessary reform. The government will work toward a complete body of laws on labor and social assistance with human dimensions, in accordance with the new economic and social relations. The problem of emigration for economic reasons will continue to receive extensive attention, as we will immediately intercede with the specialized agencies and friendly countries.

Considering the question of former political prisoners and victims of persecution as a primary one, the government will form a special agency and develop special plans to provide as soon as possible their basic rights such as shelter, employment, indemnity, pensions, and education for their children.

An important task of a democratic state is creating efficient mechanisms to control income and expenses in state and social administration. A priority will be the creation of a new role for the State Control Commission. The commission will support the economic reform in those areas where the state is required to intervene. One of its goals will be to control how the relevant agencies execute the laws concerning fiscal and customs policies.

The government will pay great attention to national defense. It will work to bring the Albanian Armed Forces to the level of the European armies by undertaking a complete reform aimed at realigning their strategy and organization with the political, economic, and social changes of the country. The reform means changing direction of all structures. The Army will be centralized, expenses will become affordable, and the education system will be restructured and perfected by putting the defense of the borders on a new legal basis. The government, all political forces, and our people consider the establishment of public order as essential in establishing democracy and starting reform.

We are convinced that the establishment of public order supports the reorganization of the justice system. In this field, we will completely restructure the justice agencies and their reorganization will be done in accordance with the most advanced international standards. A constituent part of this effort will be purging the incompetent, unconscientious, and inappropriate civil servants from these agencies and replenishing their staffs with new jurists who have contemporary views and attitudes and reflect the new democratic culture, education, and discipline.

The Current Situation of the Country and Economy

The period of one and a half years has not only been the period of the most important political changes in the history of Albania during this century, but unfortunately the period of a tragic destruction of the economy and wealth of this impoverished country, a period accompanied by the distressing disorganization of society and the state.

Albanian communism, being the most fanatic and unreformed of all the countries of East Europe, remained as so even after the radical democratic changes that took place in this part of the world in recent years. We can unhesitatingly say that communism remained as fallible and antinational even after the start of democratic processes in December 1990. The absurd stubbornness of the old and new representatives of this regime to hold onto political power at all costs and the aggressive objection against the democratic opposition forces led them to the most antisocial actions—sabotaging the state openly or clandestinely, destroying and paralyzing it completely, reviving anarchy, chaos, and distressing the people. This was the last tribute that the Albanians paid to the communist system of Enver Hoxha. This tribute was no less tragic and painful. The aim of these strategists of evil was evident: to present democracy as chaos, freedom of the individual as anarchy, economy of the free individual as total impoverishment of the majority and as enrichment beyond measure of several people, and abolishment of the communist state as denial of the state itself. The consequences of this tragedy are now evident and very significant.

The Albanian state is rather weak, or more precisely, it is almost paralyzed in all its functions. The national wealth has suffered colossal destructions. Schools, nurseries, hospitals, telephones, energy, and water services, canals, depots, stables, offices, and factories have been damaged and destroyed. Warehouses containing an incalculable amount of goods, equipment, machinery, cattle, etc. have been looted. An approximate calculation reveals that the total of the direct losses and damages inflicted on our national wealth amounts to several billion leks, a figure not far from the national damages inflicted during World War II. The first and the most active element in performing these actions were the most fanatic servants of the communist regime who instigated, organized, or provoked these destructive waves. The entire antisocial element of the criminals, thieves, and law breakers created during the dark years of this regime was included in this hidden detachment. We should unfortunately

accept that the destructive force took with thousands of people, who, instigated by insecurity and desperation, participated in these destructive actions.

Public order and citizens' security has been gravely compromised. None of us want the coming of the so long-awaited democracy to be accompanied by a sudden increase in crime, homelessness, and theft. Everyone should properly understand that these bitter phenomena are direct consequences of the communism that is breathing its last, rather than products of the newly born democracy. We notice everywhere a lack of social discipline in respecting the law by the organs and civil servants, who act against every legal authority, and in performing the state functions. Vagabonds act openly in public places, streets, premises, buses, etc., threatening citizens' lives even with arms. The looting of national private property by armed people continues to be a distressing phenomenon. Cases of murders for revenge and because of quarrels are not rare. Smuggling at the border has become a problem. The unnauthorized and abusive construction and the forcible seizure of buildings has now become a phenomenon en masse. Official or private corruption and speculation is a no less painful wound.

The lack of action on the part of relevant officials and the appropriate anticorruption laws provided grounds for the illegal enrichment of wheeler-dealers, smugglers, many civil servants, and officials who speculated with the state jurisdictions, and of several directors of other enterprises and institutions. We increasingly encounter foreign private firms and persons of a dubious nature. These pioneers of international speculation and criminality have infiltrated dubious activities and businesses, which is dishonest, but not dangerous. We can no more tolerate the absence of law and its correct and just execution and the passivity and paralysis of the state functions. Anarchy and all the antisocial phenomena that accompany it are even more painful than the economic poverty itself.

The Albanian economy is presently under the most grave conditions it has ever been since the postwar period. During 1991, the economy operated at nearly half of its capacity and production, and services everywhere fell to the level of 50 percent compared with 1990. Out of about 300 combines and enterprises existing in the industrial sector, only half of them have worked at full or even partial capacity. Even in those enterprises that continue to produce, the production rates are very low. During the last two years, the oil and gas production has declined over 45 percent, chrome about 60 percent, copper about 70 percent, coal 50 percent, light industry about 60 percent, etc. The decline in agricultural production for 1991 amounts to 1.8 billion leks. The fall in the volume of transport is deeper. The railways are almost paralyzed. The railway passenger transport operates at 2 percent capacity alone. Investments fell to the level of 15 years ago. 1991 exports which were at the lowest rate registered in the last decade, covered only 47 percent of imports, whereas short-term credits from abroad covered the other part.

As a result of the drastic fall in production, the registered unemployed made up nearly 9 percent of the civil servants in the state economic sectors, whereas the unemployed paid 80 percent of their salaries amounted to 114,000 people. Under these conditions, inflation increased and continues to rise. In 1991, price increases compared with 1990 are registered as an average 104 percent. In the first three months of this year the average level of prices continued to rise by nearly 15 percent per month. Wage increases by 50 and 70 percent and the uncontrolled grant of credits increased the amount of circulating currency in proportions never seen before, while the volume of production and services has decreased to a considerable extent.

During the seven months from September 1991 to March 1992, the Albanian State Bank has been obliged to put into circulation twice the amount of money previously planned. Consequently, our currency is being very rapidly devalued. Presently, we are witnessing the opposite of economic laws, a shortfall in production and wage increases that are further increasing prices. Consequently, the living standard is falling too far. The strong and frequent inflationary changes oblige domestic and foreign investors to hesitate, and by doing so, investments will come late.

The state of national finances is in its most serious period. The foreign short-term debt went up to about 500 million dollars. During 1991, the irrevocable obligations that the state enterprises had toward the state bank were valued at over three billion leks. The deficiencies in the state budget during 1991 are calculated as 5.5 billion leks. The end of the first three months of 1992 added a deficiency of about four billion new leks to the previous one. The levying of incomes for the state budget, especially from the state enterprises, is becoming dramatic. During the first three months of this year, only 37 percent of the planned level of the budget incomes could be levied. In other words, this amount will not be sufficient to cover the salaries of the civil servants of health, culture, and education alone, not to mention other necessary state expenses.

Ladies and gentlemen, the previous scenario needs no comment. It is very grave and tragic. At the end of this century of progress and civilization few nations in the world are in such a difficult situation as our country. We have to face and overcome the crisis and the severe poverty. This is not easy. This undertaking becomes more difficult when we consider that to fulfill it we need to simultaneously construct and reform almost everything: The economy in all its complex structures, the state and its necessary mechanisms, the educational system, our spiritual and cultural world, and why not the social psychology and mind? This is a gigantic undertaking that requires energy, vigor, and tolerance. Every

individual from the simple citizen up to our politicians and government officials should contribute and sacrifice in this undertaking.

Urgent Measures to Socially and Economically Stabilize the Country

Measures in establishing public order

The most dangerous enemies of our new democracy at present are the economic crisis and the disturbance of public order. The people have lost their tranquility because crime and law violations have become open and frequent phenomena. The sound part of the forces of order has made great efforts to improve the situation, despite the unnecessary material and technical living conditions which leave much to be desired. There are exemplary cases of the efforts they make even by sacrificing their lives. Nevertheless, we cannot deny the cases of awkward and incompetent action in executing the law on the security of citizens' lives and property. Even in those few cases in which the authors of the crime have been detected, the lack of coordination in the actions among the police, investigators' office, and court has made it impossible to execute the law up to the end. In the name of democracy and the people, our government will never allow this undesirable state in the public order. We will take rigorous measures and execute strict laws against criminals, thieves, smugglers, and wheeler-dealers. Otherwise, crime will be the grave digger of democracy.

Some of the measures we intend to undertake to rapidly improve the situation are:

1. We will increase efficiency in the work of the forces of order and investigators' office by ensuring a broad moral support from the population and the state and, moreover, we will increase control over fulfilling the tasks of the state and of the people. We will decide on identification numbers of the police, set up interministerial commissions on control and inspection, stimulate the people who work, and punish those who do not act or who become an obstacle.
2. We will reconstruct the offices of the Public Order Ministry to utilize the human and technical resources as efficiently as possible. This reconstruction will be done in the ministries and its branches and will be accompanied by defined duties for every sector. We will complete and improve the staff of legal workers in support of establishing order.
3. We will coordinate the work among the police, investigators' office, court, and procurators' office to finalize the legal attack on delinquents. We will periodically hold meetings to coordinate the work among the directors of the ministries at the center and their counterparts at the base.
4. We will adopt modern procedures and execute the police operation, investigation, and judgment on the basis of the experience from advanced European countries and the United States.
5. We will decentralize the forces of order to transfer a part of their duties and rights from the ministry to its base.
6. We will establish close relations with the police of the neighboring and advanced countries to coordinate the struggle against criminality and to be financially and spiritually assisted.

The government is confident that by applying these measures their effects will be felt within several weeks, and they will graphically list all the current troublesome phenomena within several months. Setting the country toward a market economy, we notice an increase in the corruption of the management of state economic offices. The government is assigned the duty of detecting these cases of breaking the law and state norms and of holding the criminals responsible. The government will take measures to decentralize, i.e. to divide into assistant structures its activities related to investments, contracts, agreements, and will define rules against monopolizing economic activity by gaining undeserved profits. The government will fight against corruption on all levels. We will investigate and will reconsider in conformity with the laws all the incomes and riches of those who were in power and of the high-level officials of the transition period and check whether they have been earned legally or by exploiting their official post. Our efforts to establish a market economy in Albania would fail if we did not undertake strict and immediate measures to put the fiscal and monetary situation under control.

Fiscal policy

From a fiscal point of view, the government will undertake the following measures to reduce state budget expenditures.

1. It will eliminate the majority of price subsidies. Those subsidies that remain will be subject to definite budget limitations.

2. The state subsidies and also [word indistinct] will be subject to an absolute budget limitation and subsidies will be transferred to branches of higher priority, especially to branches that create the fundamental infrastructure necessary for production, such as transportation, telecommunications, water management, etc. Nonessential expenditures for defense, internal security, foreign affairs, and state management will be significantly reduced, along with expenditures for investments that will be directed to branches of high priority and key industries, such as chrome and oil. The reorganization of the entire management apparatus at all levels will be accompanied by a significant reduction in management staff.

The government will quickly revise a practical plan to get rid of the 80 percent payment [workers were paid 80 percent of their salaries when factories could not operate due to shortages of raw materials], which was a real catastrophe for our country. No economic or social logic will testify in favor of this destructive 80 percent payment, which surprised the world with its originality. By

abolishing this form of payment, we aim to ensure various alternatives led by the principle of enabling workers to engage in productive work. Many state enterprises will be obliged to fire excessive manpower in order to survive.

The government accepts the need to create a system of social assistance for the unemployed and for those who encounter exceptional difficulties during the economic transition period. The total cost of the new system of social assistance will be confined to what we can afford now. The workers who are in fact unemployed will be transferred to the new social assistance system. Thus, enterprises that once functioned will be able to restructure themselves, to be sold, or to close. This will undoubtedly result in the permanent closure of many enterprises that cannot survive. Consequently, many workers will lose their jobs.

Nevertheless, prolonging the lives of those enterprises that have no future in the market economy does not make economic or financial sense. If we approve the further existence of these dinosaurs left over from the communist epoch, the market economy will bear fruit very late.

The government will work to create the management for the taxation system as soon as possible, so that taxes can be levied at the proper time and in the proper amount. Without regularly levying taxes and increasing its income from this taxation, the government will not be able to cover the state deficit and to make the necessary expenditures for the people's benefit. Taxation is the price of civilization in a modern society. In the long run, the government may spend for its own purposes the same amount of money it has levied as taxes, or it may be financed by taking out loans. However, it is currently becoming increasingly difficult to take state credits because of the short-term and unstable nature of our budget incomes.

Monetary policy

The practice of financing the current state deficit through the State Bank has poured money into the system and has consequently become one of the factors responsible for the increasing inflation. That is why the state cannot continue to take credits without permission from the bank. The credit limitation will lead to a significant reduction of borrowing, which, in turn, will play a role in reducing the fiscal deficit. The state enterprises will finance their economic activity themselves, either by means of the incomes they generate or by the credits that they may take from the trade bank. Our government will no longer continue to exert pressure on the banks to finance the deficits of bankrupt enterprises or give noneconomic credits. In this way, the Albanian state bank will be officially divided into a two-level banking system established by the new legislation, as mentioned before.

Wage and price policy

The policy of price liberalization as an anti-inflationary measure that the government will undertake was discussed during the presentation of the reform program. To support our struggle against inflation, we should also follow a strict wage policy. Prices in Albania are at present higher than they have been before. We can no longer continue to remain in a situation in which wages increase more quickly than production in our economy. Without adjusting wages to current production in our economy, inflation will continue to increase beyond measure. The government asks the trade unions and all the workers to accept this economic fact of life. Our wage policy will have two main parts that will cover all the civil servants in the state sector:

1. Our government is conscious that it will quickly face a demand for a wage increase en masse. For everyone living at this special level of poverty, the demand for a wage increase is human and vital. No one wants the past and present poverty to continue any longer. An increase in prosperity cannot currently be achieved by a fictitious wage increase, but only through an increase in production and efficiency. It should be made clear that every nominal increase, as long as national production is deteriorating, brings a direct and further increase in the level of prices. The more we tolerate this phenomenon, the longer the increase in inflation will continue and the worse the population's situation will become. The government commits itself to intervening in arranging the wage structure in the budget sectors to the extent that its budget resources will allow.

2. The state as owner has the right to intervene in the state enterprises, but within the rules of the game that the market economy allows. Moreover, the state enterprises should be allowed to decide on the workers' wages and the number of workers employed themselves. This should be done according to the enterprise's incomes without receiving supplementary resources from the state budget or from credits.

Foreign currency policy

The government will encourage the convertibility of its currency by drafting a law on foreign currency, which will soon be presented to the parliament. All the banks and authorized subjects will be allowed to buy and sell foreign currency at the exchange rate that will be determined on the foreign currency market. This will lead to setting in motion the mechanisms to which the present exchange system has not resorted. By establishing an exchange rate that is freely regulated by the market, we will manage to unify the currency exchange markets, in which consequently there will be no official or free rate. The Central Bank will buy foreign currency on this market to meet the government's needs. Voluntary foreign currency conversion into leks will be encouraged through economic policies, such as bank interest rates. Meanwhile, we will control the foreign currency that leaves the country.

Foreign support

The financial stability program contains severe and strict measures and asks for confidence and support from the entire population. As the prime minister of the first democratic government, I would like to say that the success of this program is in our hands. It is my duty as prime minister to tell you that the government will be

transparent in its actions. The transparency of the government and the support of the population are the main conditions for our success. The stability and development of the economy are certain, but the path we should follow will become more difficult if the two previous conditions are not fulfilled.

This month we will hold talks with representatives from the International Monetary Fund about the program of stabilizing and restructuring the economy that we are currently compiling. This program will include the strict measures that I mentioned before and a project summarizing all the debts we have to pay to foreign creditors. The success of this program will assist in establishing the credibility of Albania in the eyes of the international financial community and will open the doors to new foreign credits which we badly need. The international bank [not further identified] will soon conclude talks on credit for badly needed imports of raw materials, auxiliary materials, etc., to cover the most urgent needs in several sectors of our economy, such as agriculture, energy, and transport. This credit is offered at very favorable conditions. We hope that the project we have started with the European Bank for Reconstruction and Development will be completed as soon as possible. After drafting the development project in very important fields, such as tourism, telecommunications, mining, the banking sector, etc., we will work so that the financing of these project begins as soon as possible. The European Bank will be the first to participate in it.

The government will devote special attention to bilateral relations with various states. We will try as soon as possible to establish relations that were started and left half-way by relying on the goodwill we notice in our partners. We are optimistic that we will soon conclude the agreements discussed with Italy and Germany. The aid from Italy, the European Community, the United States, Turkey, etc. has been especially significant. Our location in Europe enables our interests to be related to those of the European Community. Therefore, the government vigorously relies its program on the support and cooperation with Europe.

Please allow me to tell you that our friends all over the world know the unusual difficulties that we are encountering now and have been generous in helping us. We thank them for this and ask them to continue supporting us and, if possible, to increase their financial aid to facilitate our economy during this transitory period. Albania wants to become an active trading partner in the international community. That is why we invite foreign investors to consider the possibility of investing in our country. We have abundant natural riches and a manpower relatively qualified professionally and at a low cost. We possess very great potential for tourism and a strategic location near the international markets. It is particularly necessary during this period of great economic difficulties to realize that foreigners will help us seriously and effectively only when they see that we have resumed work and set into motion our capacities. The political fight against communism is over. Now the great effort to revive the economy begins.

The government asks the trade unions and all the civil servants to continue the strong, moral, and political cooperation created during the struggle in overthrowing communism even at this new historic phase of great importance for the future of Albania. By doing this, the new democratic government does not ask the trade unions to give up their economic struggle in defending civil servants' interests, but to form a constructive opposition to this government that needs social peace and reasonable partners under the present condition of the country's economy.

The government asks the state management to make disciplined efforts to apply the government's policy rigorously and creatively.

The government asks the Albanian people to be patient, because it will take some time to eliminate the damage caused by 46 years of communist rule. What should be done in Albania is to create a market economy. To facilitate this, the government I head asks for your support.

I proposed to the president of the Republic the composition of the government that he approved by decree No. 166 of 13 April 1992. On the basis of this decree, the government is appointed with the following composition:

1. Deputy chairman of the Council of Ministers and minister of agriculture and food—Rexhep Uka
2. Deputy chairman of the Council of Ministers and minister of order —Bashkim Kopliku
3. General Secretary—Vullnet Ademi
4. Minister of economy and finance—Genc Ruli
5. Minister of foreign affairs—Alfred Serreqi
5. Minister of justice—Kudret Cela
6. Minister of industry, mining, and energy resources—Abdyl Xhaja
7. Minister of trade and foreign economic cooperation—Artan Hoxha
8. Minister of defense—Safet Xhulali
9. Minister of transportation and communication—Fatos Bitincka
10. Minister of construction, housing, and area planning—Ilir Manushi
11. Minister of health and environmental protection—Tritan Shehu
12. Minister of education—Ylli Vejsiu
13. Minister of culture, young people, and sports—Dhimiter Anagnosti
14. Minister of tourism—Osman Shehu
15. Minister of labor, emigration, social assistance, and political presecutees—Dashamir Shehi
16. Chairman of the Science and Technology Committee—Maksim Konomi
17. Chairman of the Control Commission—Blerim Cela

In the name of the government I presented, I ask for your approval. Thank you.

Foreign Ministry Denies Arms Transit to Macedonia

AU2204070692 Sofia BTA in English 1911 GMT 21 Apr 92

[Text] Sofia, April 21 (BTA)—The Bulgarian Ministry of Foreign Affairs categorically denies allegations in today's AVGHI newspaper of Greece, according to which Turkey was transiting arms and military experts to the Republic of Macedonia through Bulgaria, says a declaration of the Foreign Ministry received at BTA today.

"The allegation is totally unsubstantiated and is a gross misrepresentation of Bulgaria's relations with its neighbors, which are based on the respect for each country's sovereignty and national interests and on non-intervention in internal affairs," the declaration says. "Similar insinuations are intended to mislead the international public and to undermine the efforts of the Republic of Bulgaria and other countries to promote an atmosphere of stability and confidence in the Balkans," the declaration says.

SDS Council Discusses Cabinet Reorganization

AU2104211392 Sofia BTA in English 1953 GMT 21 Apr 92

[Text] Sofia, April 21 (BTA)—Today's meeting of the National Coordinating Council of the Union of Democratic Forces (SDS) discussed Prime Minister Filip Dimitrov's proposals for structural changes in the government.

The Coordinating Council shares the prime minister's view that these changes have been prompted by the economic reform and are not the result of anyone's pressure, Mikhail Nedelchev, spokesman for the National Coordinating Council, told journalists today. Consultations will be held with the leaders of all parties and organizations affiliated to the SDS and with representatives of other political formations, the ethnic Turks' Movement for Rights And Freedoms (DPS) in the first place. Individual candidatures have not been discussed so far. The SDS Parliamentary Group is expected to consider some of Filip Dimitrov's more specific suggestions on Thursday, April 23. Results of the consultations can be expected within ten days, Mr. Nedelchev said.

In the meantime it was reported that Prime Minister Filip Dimitrov has had talks with the DPS leader Ahmed Dogan.

The oppposition Bulgarian Socialist (ex-Communist) Party (BSP) took a different view of the expected cabinet changes.

A decision for an early election can be taken only after the opinion of the whole Bulgarian public is considered. This can happen after the failure of several attempts to form a working cabinet, Socialist leader Zhan Videnov told a news conference. In his view, the prime minister's problems arising from demands for structural and personnel changes in the government, are proof that the principles applied by the SDS in the formation of its cabinet did not work.

According to Aleksandur Tomov, member of the BSP and deputy prime minister in the former coalition cabinet, the idea of an early election should not be considered such a short time after the latest elections. The possible negative reaction abroad and an election's unfavourable effect on the country's economic condition and the economic reform should also be taken into account, he said.

Meanwhile, the memorandum issued jointly by the two trade union amalgamations—the Podkrepa Labor Confederation and the Confederation of Independent Trade Unions (KNSB), was presented in parliament today. "The new price shock will worsen the living standards of wageworkers, the unemployed and pensioners," the trade unions warn. The document presents the shared view of the two amalgamations on the social protection of incomes which should match price liberalization.

The memorandum was submitted to the Labor and Social Affairs Committee and to the Economic Committee, which will consider it and present statements on the issues raised in it.

Court Upholds DPS 'Constitutionality'

AU2104170692 Sofia BTA in English 1630 GMT 21 Apr 92

[Text] Sofia, April 21 (BTA)—The Constitutional Court today rejected the claim filed by a group of M.P.'s [members of parliament] over the constitutionality of the ethnic Turks' Movement for Rights and Freedoms (DPS).

The claim was filed by a group of members of the former Grand National Assembly and was later on supported by incumbent M.P.'s of the Bulgarian Socialist Party. They lodged a claim with the Constitutional Court over the constitutionality of the DPS, insisting that the M.P.'s elected on its list be declared ineligible. The claim was motivated with an article of the Constitution banning organizations whose activity runs counter to the unity of the nation. The Constitutional Court's decision ends the legal procedure on the constitutionality of the DPS and confirms the legitimacy of the M.P.'s of the DPS.

Six out of the twelve judges expressed a dissenting opinion, Constitutional Court Spokesman Nikolay Pavlov said today. Their motive was that the DPS was set up on an ethnic and religious basis and is therefore unconstitutional. According to the judges who disagreed with the court's decision, the movement's actions are not promoting the unity of the state and of the nation. However, the entire Constitutional Court considers the election of the M.P.'s on the DPS list legitimate.

The Constitutional Court takes its decisions with a simple majority. That is why the dissenting opinion of the six judges was not sufficient for a decision to the opposite effect. If such a decision had been taken, the election of the 24 M.P.'s of the DPS would have been canceled and the legislation passed by parliament so far would have been declared illegitimate.

Ecoglasnost Sees Kozloduy as 'Threat' to Europe

AU2104123392 Sofia DEMOKRATSIYA in Bulgarian 11 Apr 92 pp 1, 3

[Interview with Dimitur Korudzhiev, leader of Ecoglasnost, by Mira Mayer; place and date not given: "The Four Power Generating Units of the Kozloduy Nuclear Power Plant Represent a Threat For Bulgaria and Europe"]

[Text] Ecoglasnost leader and writer Dimitur Korudzhiev is leaving for Paris. He is expected to hold a news conference there on 14 April together with the world famous explorer Jacques-Yves Cousteau. The indefatigable 82-year-old Frenchman visited our country in 1991 with a team of ecological experts. They examined the situation in order to learn to what extent the Bulgarian nuclear power plant situated on the banks of the Danube represents a danger. Their report on the results of their research is ready. It is the reason for Dimitur Korudzhiev's forthcoming visit to France. He answered a few questions of DEMOKRATSIYA's in this connection.

[Mayer] Ecoglasnost has long since urged that the four power generating units of the Kozloduy plant should be taken out of operation. What is the opinion of the French experts?

[Korudzhiev] Their opinion fully coincides with ours. The first four power generating units of the Kozloduy nuclear plant do not possess any safety installations and their equipment does not meet international standards. This represents a danger not only for Bulgaria, but for Europe as a whole. Jacques Cousteau's team worked and did its research on site in Kozloduy, and the results of their research are very close to ours. They are convinced that no restructuring whatsoever could bring the four units close to the European safety norms.

[Mayer] Do you think that the Bulgarian public should make its choice and close down the plant, even if it would mean an introduction of the notorious power cuts that we all abhor?

[Korudzhiev] We simply must accept the situation and proceed along this path. The first four units of the nuclear plant will have to be closed down, even at the risk of sitting in the dark. The plug will presumably be pulled by the same people for whom nuclear energy represents a tremendous source of material advantage. They are the so-called nuclear mafia, which is part of the worldwide nuclear mafia. The material resources which are in operation are enormous. Ecoglasnost has always insisted on personnel changes at the Power Supply Committee, the National Electrical Company, and the Committee on the Use of Nuclear Power for Peaceful Purposes under the Council of Ministers. There is a great deal of money involved in the nuclear energy sector. That is why it is so difficult to combat it. For example, if the European Development Bank should grant credits for the reconstruction of all Kozloduy power units, it will be precisely the nuclear lobby that will take advantage of them for its business transactions, while we, the common people, are expected to pay them back.

[Mayer] What is the future of the Bulgarian power supply sector, according to the French specialists?

[Korudzhiev] They indicated alternative energy sources, which for our country means that we should build steam gas plants. Their commissioning is relatively prompt—it would take 9-10 months, while the fuel is gas, which must be purchased. In addition to this, the fifth and sixth power generating units in Kozloduy could be preserved, if they are improved. Last, but not least, I would like to mention that the French experts are amazed by the squandering of electric power that is going on in our country. They drafted a special plan on to how save 30-40 percent of power, because it turned out that we are using our electric power in a totally inefficient manner, which means that we are actually wasting it.

Escalation of Violence in Bosnia Condemned

LD2104203392 Prague CSTK in English 1923 GMT 21 Apr 92

[Text] Prague April 21 (CSTK)—The Czechoslovak Foreign Ministry condemns the escalation of nationalism and violence in Bosnia-Hercegovina, particularly by militant Serbian and also Croatian irregulars, the ministry said in an official statement today.

Made public by the director of its press department, Zdenek Zikmund, the statement also rejects efforts to establish ethnically "pure" regions as a possible start of the disintegration of Bosnia- Hercegovina.

The statement condemns all other steps, particularly by some neighbouring countries, which constitute interference in the internal affairs of independent Bosnia-Hercegovina and threaten its territorial integrity. The ministry strongly condemns the involvement of the Federal Yugoslav Army which is supporting Serbs in the conflict. The statement points out that Czechoslovakia currently chairs the Conference on Security and Cooperation in Europe (CSCE) which makes necessary its maximum impartiality in the conflict.

The ministry believes that a political solution to the crisis can only emerge from an international conference on Yugoslavia, and international talks on Bosnia-Hercegovina.

Military Attache Recalled From Libya

LD2204114592 Prague Stanice Praha Radio Network in Czech 1030 GMT 22 Apr 92

[Text] The Czechoslovak Embassy in Tripoli announced today that the deputy military attache is getting ready to leave Libya. The Czechoslovak Defense Ministry has decided to recall him in connection with the reduction of diplomtic representations on both sides. According to information from our foreign ministry, the whole affair is still subject to negotiation.

Havel To Visit Japan; Trade Emphasized

LD2104221592 Prague CSTK in English 2122 GMT 21 Apr 92

[Text] Prague April 21 (CSTK)—Czechoslovak President Vaclav Havel left today for an official state visit to Japan. Presidential assistant Alexandr Vondra told CSTK the goal of the visit, which will last until April 26, is to open a new era in relations between Czechoslovakia and Japan.

Havel will hold talks with Prime Minister Kiichi Miyazawa and will meet with Emperor Akihito. According to the Czechoslovak Presidential Office, Havel will also meet with Japanese trade and business leaders to discuss expanding trade between the two countries, enabling Japanese entrepreneurs to enter the Czechoslovak market, as well as other forms of economic assistance.

A new trade agreement between the two countries is expected to be signed during Havel's visit. The current agreement dates from 1959. On his first visit to Japan, Havel is accompanied by Czechoslovak Deputy Premier Jozef Miklosko, Minister of Foreign Trade Jozef Baksay, Economics Minister Vladimir Dlouhy, Slovak Deputy Premier Anton Vavro, Czech Finance Minister Karel Spacek and Czechoslovak Deputy Foreign Minister Vojtech Wagner.

Czechoslovak Parliament Chairman Alexander Dubcek visited Japan in July 1991, and Czechoslovak Foreign Minister Jiri Dienstbier and other federal officials held talks in Tokyo in October 1991. The last visit to Japan by a Czechoslovak president was by Ludvik Svoboda in 1970. Havel, who is accompanied by his wife Olga, is also to visit the cities of Kyoto and Nara. After completing his visit to Japan, Havel will travel to South Korea for an official state visit.

Reportage on Visit

WA2204132392

For reportage on the visit by President Havel to Japan, including reports on his audience with Japanese Emperor Akihito, as well as his political and economic cooperation talks with Prime Minister Kiichi Miyazawa, please see the Japan section of the 22 April East Asia DAILY REPORT and subsequent issues.

Parliament Approves EC Association Accord

LD2204113192 Prague CSTK in English 1027 GMT 22 Apr 92

[Text] Prague April 22 (CSTK)—The Czechoslovak parliament today approved an accord on Czechoslovakia's association with the European Community (EC), which renders better access of Czechoslovak goods to Western European markets.

Signed by Czechoslovakia, Hungary, Poland and the EC on December 16, the agreement has yet to be signed by Czechoslovak president to be ratified. Czechoslovak Foreign Minister Jiri Dienstbier said the association agreement includes for the first time also political and cultural cooperation apart from trade and economic relations. "We understand (the accord) as an instrument to Czechoslovakia's preparations for later admission as a full-fledged EC member," said Dienstbier.

The Czechoslovak parliament today also approved government-proposed amendments of the foreign-exchange law and the customs law. The amended foreign-exchange law liberalises exports of profit abroad and makes it possible for foreigners to acquire real estate in Czechoslovakia. The customs law amendment determines terms for the existence of free customs zones and also reflects the association agreement with the EC.

The federal assembly also approved an agreement with Great Britain on the protection and support of investment. Czechoslovakia's association accord with the EC

is expected to come into force at the beginning of 1993, Dienstbier said in his address to the federal parliament. He added that it has yet to be approved by the European parliament and ratified by the parliaments of the 12 EC members.

In the first years after coming into force, the agreement will be asymmetrical in Czechoslovakia's favour, with the EC opening its markets to Czechoslovak goods earlier, Dienstbier said. Under a temporary trade agreement, which was endorsed by the EC Council of Ministers February 26 and came into force March 1, the EC removed customs duties from about 70 per cent of its imports from Czechoslovakia, compared with about 20-25 per cent of EC exports to Czechoslovakia. The temporary agreement will be in effect until Czechoslovakia's association accord with the EC comes into force.

Dienstbier recalled that according to last October's public opinion poll carried out by the European Commission in cooperation with the Gallup Institute, 76 per cent of the Czechoslovak population support the association accord and 84 per cent stand for Czechoslovakia's membership of the EC.

Parliament Passes Stock Exchange Law

LD2104170292 Prague CSTK in English 1329 GMT 21 Apr 92

[Text] Prague April 21 (CSTK)—The Czechoslovak Parliament today passed a bill on stock exchanges, designed to renew trade in stocks, which ceased to exist in Czechoslovakia in 1945.

The current volume of emitted stocks and bonds is not sufficient for the establishment in Czechoslovakia of a real financial market. However the situation is to improve before the end of this year, as a great number of state-owned enterprises are to be turned into joint stock companies in the course of "large privatisation," currently under way in Czechoslovakia.

Czechoslovak Finance Minister Vaclav Klaus said the voucher privatisation will be a strong impulse to the establishment of the financial market. He said that by 1993 the number of joint stock companies in Czechoslovakia is estimated to reach 2-3,000, with total property worth about one million million crowns (about 33,333 million U.S.dollars).

There will be two stock exchanges in Czechoslovakia, one in Prague and the other in the Slovak capital of Bratislava. Under the law foreign capital share should not exceed 30 per cent in order to prevent a possible shift of stocks trade abroad, for example to Vienna or Frankfurt am Main.

Dlouhy Debates Opposition Economic Claims

AU2204090392 Prague TELEGRAF in Czech 16 Apr 92 p 3

[Interview with Federal Economy Minister Vladimir Dlouhy by Dagmar Sistkova; place and date not given: "Let Us Not Believe Cheap Promises"]

[Excerpts] In the 12 April Week in Review program, Valtr Komarek again referred very unflatteringly to our economic progress. We therefore asked Federal Economy Minister Vladimir Dlouhy for his opinion on Komarek's claim that output in January and February fell by 40 percent and that our economy is teetering on the verge of collapse.

[Dlouhy] We should discuss the reasons for this decline in production. The loss of eastern markets plays a significant role. This is also the case in other countries, for example, in the Finnish economy. It was a perfect example of the market economy, but was extremely dependent on trade with the former USSR. Therefore, it has also suffered a considerable decline in production.

Second: Industrial production is starting to undergo rigorous changes that are invariably accompanied by declining production. Valtr Komarek himself likes to emphasize the fact that it is necessary to monitor growth in the services sector, and development there is different.

Third: A broader discussion would require the use of statistics.

Fourth: We monitor the structure of decline. In heavy industry, but also in medium [stredni] and light industry, ineffective production is being discontinued or cut back. Business has been lost in eastern markets. This is due not only to less demand but to the economic reform process, which has held up a mirror to economic efficiency. It is not true that no structural changes are taking place in our country. They are taking place slowly. If Mr. Komarek were to make an effort here and have a look at how the structure of production is changing on a monthly basis, he would discover that the changes manifest themselves first in final products and then, over time, appear in the heavy industry, fuels, and energy sectors. Structural changes are indeed proceeding slowly, but there is a fundamental difference between our philosophy and that of Mr. Komarek. It is impossible to plan structural changes. A functioning market environment must lead to these changes. Proprietary changes following privatization, a price structure, a customs structure, exchange rates opening our economy to foreign competition, and respect for comparative advantages make up this market environment. Mr. Komarek perseveres where he has always persevered—that is, in his refined descriptions of socialist reform in a centrally planned economy.

The Federal Economy Ministry has drafted an analysis of economic development in 1991, which will be made available to the public. In it we say that the first

successful reform step, including macroeconomic stabilization, is behind us. Economic policy must now concentrate on activating economic growth. Here we differ with Mr. Komarek even more than in assessing past development. [passage omitted].

[Sistkova] Mr. Komarek's criticism also concerns the IMF's role, which—according to his claim—ranks us among the developing countries.

[Dlouhy] We must admit where we are. I remember when I worked with Mr. Komarek on demonstrating that this country was not so badly off. This was at a time when it was necessary to tell our former powers-that-be that they should do at least some things differently, such as invest less in heavy industry. As soon as political change enabled us to follow a path of economic reform, the period of idealistic dreams that we could be as well off as, for example, Austria, came to an end. We do not have such a poor standard of living in comparison to Austria, but our economy's efficiency is, understandably, far worse. We are indeed closer to the countries of southeast Europe than anyone else. Second, during this transition period, it is not a priori clear which branches can bring this country short-term economic growth and higher employment or what our economy's comparative advantages are in comparison to other economies. It would be a mistake to made a decision in advance on something like this from a ministerial desk. Current development in metallurgy, which sustains itself on the advantages of still partially regulated energy prices, indicates that this industry can still contribute something to this country. Naturally, it must undergo restructuring, it must react to energy prices—which will come closer to the world level—and it must react to the fact that the relationship between the exchange rate and our currency's purchase power parity (the link to wage levels stems from here) will be different than it is today. The IMF suggestions in the macroeconomic sphere are something else. We respect the IMF opinions on stabilization policy, but I emphasize that we are formulating and implementing our own policy. We definitely do not obey the IMF blindly. As opposed to Mr. Komarek, we are able to communicate with it and we are able to separate its advice from our own economic policy. This has been unequivocally demonstrated during the past two years.

[Sistkova] As economy minister, how do you view our economic development this year?

[Dlouhy] This year will still be a year of economic decline and increased unemployment, but it will also be a year of privatization. This will bring an end to inefficient production. It is necessary to say all of this before the elections. On the other hand, as long as we maintain that we are liberal economists, we must carry on like this. This must be our reply to Mr. Komarek. It is necessary, far more than previously, to create entrepreneurial conditions for the new privatized state enterprises and for small- and medium-sized entrepreneurs. The state must have its own revenue, but let us commit ourselves now to the dynamism that launches private enterprise. We are considering tax relief for private enterprise—let us place more trust in it from the point of view of legislative conditions. We will open up even more to the international economy. Let us be more accommodating to foreign investors and not be afraid of so many direct sales. Let us pursue relaxation of wage regulation next year and let us eradicate administrative trade barriers. We need laws on the stock market. Let us support exports as much as possible and let us create job opportunities.

Once again: Let us not make cheap promises and let us not listen to cheap promises. It is easy and appealing to promise people higher wages, to promise entrepreneurs this or that support, and to promise this or that branch will be developed. It is easy to demand a more favorable exchange rate or to criticize the government for destroying the economy. By making these promises, however, Mr. Komarek has placed himself beyond the pale of a politician's natural responsibility, because nothing he promises can be fulfilled other than by taking on a debt that all of us and our children would have to pay. What is even more dangerous is the fact that his policy will not lead to necessary changes in the economy, that it will not force all of us—whether producers or consumers—to increase our efficiency and productivity, to reduce our costs, and to increase our competitiveness. His economic policy could, at worst, lead us back into the past and could, at best, mean delaying reform until later when the social consequences and costs would be much higher than the ones Valtr Komarek so often refers to today.

[Sistkova] Thank you for the interview.

Suspension of Ties With Belgrade Possible

LD2104152292 Budapest Kossuth Radio Network in Hungarian 1500 GMT 21 Apr 92

[Text] According to a communique issued by the Hungarian Foreign Ministry, our country would consider suspending diplomatic relations with Belgrade if several countries first decided to temporarily suspend relations with the Serbian leadership. This was stated by the foreign affairs spokesman in connection with the fact that the United States and several European countries are considering suspending diplomatic ties because of Serbian troops' aggression in Bosnia. The foreign affairs spokesman stressed that Hungary will continue in the future to coordinate its diplomatic steps with the European Community, the Visegrad Three, and other countries.

No Repatriation Planned for 'Yugoslav' Refugees

LD2204035192 Budapest Kossuth Radio Network in Hungarian 0700 GMT 21 Apr 92

[Text] Hungary will under no circumstance send back Yugoslav refugees, the Hungarian ambassador to Belgrade has declared. Istvan Oszi, in a Novi Sad television program, disclosed that Budapest has already begun discussions with the UN refugee committee and the Serbian Government concerning the return of the refugees from the civil war. So far no willingness for an agreement has been indicated by the Serbian side, the Hungarian ambassador said.

Interior Minister on Refugee Affairs Talks

AU2204085392 Budapest MAGYAR HIRLAP in Hungarian 15 Apr 92 p 5

[Interview with Interior Minister Peter Boross by an F.Gy. in Budapest on 14 April: "An Important Law Is Still To Be Made...."]

[Text] Sadako Ogata, the United Nations high-commissioner for refugee affairs (UNHCR), met with Peter Boross on 14 April. After the meeting, MAGYAR HIRLAP asked both of them about the issues discussed.

"We spoke about many things, for example the Yugoslav refugees and your policy on granting the right of asylum, and our cooperation can only increase after this," was all Mrs. Sadako Ogata said.

After the meeting, Peter Boross spoke briefly to MAGYAR HIRLAP about the longer-than-planned discussions.

[MAGYAR HIRLAP] I believe that this was Sadako Ogata's most important meeting during her visit to Hungary. What were the main points of your discussions?

[Boross] As is customary at such occasions, we informed each other, and then we discussed the Hungarian legislation in more detail. A very important package of laws is still waiting to be made, namely the laws on foreigners, guarding the borders, and on the refugee issue, and all these have to be modified. It was also mentioned that, at the time, Hungary signed the international convention on refugee affairs with some stipulations (relating to citizens of European countries). This indeed causes some problems because, normally, no such stipulations exist in Europe. In fact, I had to make a promise that we would soon change this. The problem is that first we have to settle the conditions and agreements about staying in the country illegally. I would like to stress that we cannot turn into a "collection sack," we cannot accept this. However, in my view, we will soon have to join the agreement without exceptions, because, I need not say, the refugee affair is laden with many dilemmas anyway—what is political, and what is economic? In the current legislation, we will also have to apply better criteria to determine these. For the person making a judgment, it has to be clear who is a refugee for political reasons....

[MAGYAR HIRLAP] Did Sadako Ogata agree with Hungary's policy on refugee issues?

[Boross] They cannot avoid agreeing. At the moment, we are the receiving country in Europe. It is simply impossible to criticize the attitude shown toward foreigners in Hungary. In comparison with other countries, we have not deported masses of people.

[MAGYAR HIRLAP] Did Sadako Ogata criticize any other countries? Did she ask why we were the "sack?"

[Boross] She is a diplomat, therefore, we did not talk about third countries. However, who could blame us? We have been accepting tens of thousands of refugees since 1989, and we are still constantly receiving people. The number is over 50,000 in relation to Yugoslavia.... There is no other place like this in Europe.

[MAGYAR HIRLAP] Have you reached any concrete agreements?

[Boross] Of course! For example, the office that deals with repatriating the Yugoslav refugees operates here. Unfortunately, it is only possible now to create programs, not actually begin implementing them. The Budapest branch of the Office for Refugee Affairs is participating in this. In other words, this will be done within a trilateral agreement at a convenient time. Until then we must make a lot of preparations.

[MAGYAR HIRLAP] Is this visit important? Is it perhaps a milestone?

[Boross] It is not by accident that Sadako Ogata came here; her visit in itself is important. I would also like to underline the fact that personal contacts are not of secondary importance when it comes to settling matters favorably, including international matters. I feel that there were some complaints in Hungary about delayed arrival of money allocated (for the refugee affair). Well, these are only feeble financial matters, but at such times as these, there is a chance to talk to the leader about them —actually, it was not me who spoke about them.

[MAGYAR HIRLAP] Has Sadako Ogata promised anything?

[Boross] I do not know, but this is not the kind of issue in which one would have to make promises.

Government Ready To Accept EC Conditions on Dam

LD2104082792 Budapest MTI in English 1349 GMT 17 Apr 92

[Text] Budapest, April 17 (MTI)—The Hungarian government welcomes the European Communities, readiness for cooperation in Hungary's debate with Czechoslovakia over the Gabcikovo-Nagymaros hydropower dam and accepts the conditions set by the EC, Foreign Affairs Spokesman Janos Herman reported today. Herman spoke to MTI after Foreign Minister Geza Jeszenszky had replied to a letter by EC Commission Vice-President Frans Andriessen.

In the letter, sent to the Hungarian government a few days ago, Andriessen said the EC is ready to help Hungary and Czechoslovakia to resolve the debate over the hydropower dam system. It is also prepared to delegate experts to, and preside in, a trilateral committee, to survey ecological impacts and legal aspects of the project.

The EC set the following conditions for its involvement:

—both governments should send a written request to the EC,

—Czechoslovakia and Hungary must base all further decisions concerning the dam on the conclusions of the joint committee,

—during the committee's investigation, both governments should refrain from taking any steps hindering or preventing measures to be taken after the completion of the survey.

Jeszenszky on Possibility of WEU Membership

LD2104154292 Budapest Kossuth Radio Network in Hungarian 0705 GMT 19 Apr 92

[Excerpts] In Vienna, representatives of Christian and conservative parties from 40 countries of the world gathered for roundtable talks. [passage omitted] Our correspondent, Peter Zentai, talked to Geza Jeszenszky;

[Zentai] I asked Geza Jeszenszky whether Van Eekelen, general secretary of the Western European Union [WEU], offered Hungary membership or some sort of special status in the defense organization of the EC.

[Jeszenszky] Mr. van Eekelen, general secretary of the WEU, proposed a formulation that sounded new to me. Instead of the oft used expression of connecting institutions—the network of interconnected institutions creating security—he proposed the formulation of the institutions mutually strengthening each other.

[Zentai] Did the general secretary offer or hint that Hungary, Poland, and Czechoslovakia, on their way to the EC, should be a special or associate member of the WEU?

[Jeszenszky] Well, this subject has been on the agenda for a long time. We made a proposal pointing toward this a year ago. At the same time I have to emphasize again that we do not want to choose between NATO and the WEU. [passage omitted]

Official Says Counterterrorist Units Ready

AU2104134392 Budapest MAGYAR NEMZET in Hungarian 16 Apr 92 p 5

[RT interview with an unnamed leader of counterterrorism organization on 15 April; place not given: "Security Council Sanctions Against Libya—Hungarian Counter-Terrorism Is Also Prepared"]

[Text] Early in the morning of 15 April, the UN Security Council arrived at a decision to appoint Hungary to chair the committee supervising the international sanctions—involving flights and arms deliveries—on Libya.

Hours later, some Hungarian organizations that usually perform their work without publicity, like the secret service and counter-terrorism services, also started to make some moves. As early as Wednesday morning, leaders of these organizations were discussing security measures to prevent a possible Libyan "response." Only a few people know what decisions they made at the conference behind closed doors. One of them gave a brief interview to our correspondent.

[MAGYAR NEMZET] It is a well-known fact that Libya is one of the countries where infamous terrorist organizations operate. Can we establish that Hungary could become a potential target for them?

[Unidentified interviewee] According to our current knowledge, this would be an exaggeration.

[MAGYAR NEMZET] Does this mean that there is no danger and terrorist acts do not threaten us?

[Interviewee] The danger has existed. We have recently implemented a number of security measures, irrespective of the Libyan situation. Obviously, one of the consequences of the UN Security Council's decision may be that a Libyan terrorist organization prepares a retaliatory action in Hungary or in the Hungarian missions abroad; however, there is no sign of this.

[MAGYAR NEMZET] Why do we need to increase the security measures?

[Interviewee] An actual wave of terrorism has swept across Europe in the last month. There have been almost constant terrorist attacks nearly everywhere on the continent—in Greece, Belgium, Bulgaria, England, and France. The "bigger" actions were against Turkish and Israeli targets, with varying results. The most successful attack was in South America one month ago, where a

terrorist bomb exploded near the Israeli Embassy. The building was destroyed and some 30 people died. This is the reason for the increased vigilance.

[MAGYAR NEMZET] What will change now, after the decision of the Security Council? Will you close the airport, post guards on the bridges, or increase the number of routine checks?

[Interviewee] We are not planning any spectacular measures that the populations would also notice. Therefore, the current situation cannot be compared, for example, to the one during the Gulf war.

[MAGYAR NEMZET] During the war, we heard a lot about the so-called dormant [hibernalt] agents. Do you check the Libyans staying in Hungary to see if there are any agents among them?

[Interviewee] I think so. Do not think of this, however, as patrols going to the registered homes of Libyans and then investigating officers starting long interrogations. What happens is that certain information channels change over to this line, and the organization takes steps if a tip-off arrives from Hungary or abroad.

[MAGYAR NEMZET] Are you going to increase the patrol near the Libyan Embassy in Budapest?

[Interviewee] No.

[MAGYAR NEMZET] Fortunately, there is no great tradition in Hungary of terrorism as a means of political blackmail. It is true that reports that this or that building is about to be blown up come into the National Police Headquarters every day, but 100 out of 100 cases prove to be bluffs. If one of these threats were executed, however, then panic would follow. As I see it, in a real situation, Hungarian citizens would behave like some kind of sacrificial lambs. When a hotel in Vienna was attacked by armed men, all the guests immediately got down on the floor, only the Hungarians remained standing. Have you included this in your plans?

[Interviewee] Look, as I have already said, for the time being there is no reason to alarm the population. Anything to do with the permanent members of the Security Council in Hungary—namely, airlines and businesses, in addition to the embassies and consulates—are given a kind of protection by the Hungarian authorities. If they receive a threat or we receive information about a forthcoming action, then we will use our "B" version, and if something happens, then our "C" version is used. All this quite simply means that we are prepared for certain developments.

[MAGYAR NEMZET] Pardon me for being skeptical, but would you consider the Hungarian secret service capable of preventing a possible professional terrorist attack?

[Interviewee] Good question. This organization in itself is not that strong but, providing that the western colleagues also help, Hungarian counterterrorism is not a negligible opponent.

[MAGYAR NEMZET] You do not provide a lot of ground for optimism. A few years ago, the same people were working against their western counterparts.

[Interviewee] You do not need to have any doubts, because the police have also been able to establish excellent contacts in the West. The West helps us because it is motivated by the same thing, namely that we must not leave "gaps" in Europe for the terrorist organizations. (This is precisely why they resent Greece so much because it has not yet been able to wrap up the groups operating there.) On the other hand, in addition to the secret agreements, open interstate agreements also regulate this kind of exchange of information with Germany, the United States.... These two countries have invested large sums in training Hungarian agents, or let us rather say, security (and secret service) professionals.

Olszewski U.S. Visit 'Unexpected Success'

AU2104170892 Warsaw RZECZPOSPOLITA in Polish 18-20 Apr 92 p 1

[Ryszard Malik commentary: "Being Present"]

[Text] This visit was not full of high spirits and references to history and tradition. Prime Minister Olszewski wanted to present Poland's point of view on the changes in Central and Eastern Europe and the consequent opportunities for our country. Poland's voice was heard. The sincere and appreciative expressions of support for the Polish political and economic reforms that the prime minister heard from President George Bush and Secretary of State James Baker confirmed Washington's concern for the success of our actions in establishing democracy and a free market. There is nothing new about that, but since the last elections, not everyone has understood the changes in Poland. Even across the ocean there has been criticism of what is happening in our country.

Therefore this visit was essential to restore our country's good image in Washington. The prime minister's hosts were able to acquaint themselves directly with his opinions and those of the ministers accompanying him, and this enabled U.S. politicians to understand the present stage of the changes.

Of major importance for the Polish economy's future were the talks with U.S. business circles and IMF and World Bank representatives. A tangible result of the talks with the directors of the IMF and World Bank is the decision to send an IMF mission to Poland in the middle of next week in order to conclude a new agreement with them.

U.S. policy toward our region takes Poland's interests into account, the U.S. President told Jan Olszewski. The Polish postulates concerning security, membership in NATO, and access to U.S. weapons were acknowledged and will be considered. These topics and their implementation will be discussed in depth during the Polish defense minister's visit to Washington in almost one month's time. By the way, Prime Minister Olszewski was the first Polish head of government to be a guest at the Pentagon.

Despite previous expectations, the prime minister's visit was an unexpected success because it marked another breakthrough in the history of U.S.-Polish relations, for in the United States, as in Poland, it has been understood that building democracy and a free market economy in Poland will not be easy and that serious obstacles are bound to appear on the road to a better future. U.S. backing and understanding are required to overcome them. My impression is that there was an increased awareness of this during the visit to Washington by the third prime minister of postcommunist Poland.

Solidarity Says 24 Apr Demonstration 'Warning'

LD2104173892 Warsaw PAP in English 1610 GMT 21 Apr 92

[Text] Warsaw, April 21—The nationwide demonstration to be staged by the Solidarity union in Warsaw on April 24, will be "another serious warning for the elites to come to senses," Maciej Jankowski, head of Solidarity's Warsaw Chapter told PAP on Tuesday. Jankowski said that the protesters will call for implementating employee-minded reforms and counteracting chaos in economy and politics.

"Poland's political scene needs trimming. An efficient government has to be formed, its powers clearly defined by parliament and having the approval of trade unions, a government with which agreements can be reached and later on enforced," Jankowski said. Jankowski believes that the demonstration, staged on the initiative of Solidarity factory committees and supported by the union's National Commission, will be attended by delegations from all over Poland.

Solidarity-80 Opposes Scope of Presidential Power

LD2104182392 Warsaw PAP in English 1733 GMT 21 Apr 92

[Text] Szczecin, April 21—Chairman of Solidarity-80 Marian Jurczyk has sent an open letter to Sejm Speaker Wieslaw Chrzanowski asking for legislative steps to be urgently taken "to unequivocally outline the area of powers of the supreme state authorities in controlling the Polish Army."

Marian Jurczyk writes: "In view of the agitation of broad public opinion, caused by a peculiar interpretation by the office of the Polish president of his prerogatives in supervising the armed forces, particularly the president's powers towards special services that, in tune with law, are within the powers of the government, subjected to parliamentary control, I join numerous opinions on growing concern caused by such actions of the president's office."

According to Jurczyk, the "concentration of power by the president, confronted with his public statements made to date, causes fear of the recurrence of the discredited scenario of authoritarian rule in Poland."

Mazowiecki Sees Slimmer Chance for Broad Coalition

LD2104211992 Warsaw TVP Television Network in Polish 2045 GMT 21 Apr 92

[No video available]

[Text] After his meeting with Prime Minister Olszewski today, Tadeusz Mazowiecki said that he sees sense in holding further talks on broadening the government coalition. However, in his opinion, the chances of these talks succeeding are becoming smaller and smaller.

The Democratic Union leader's meeting with the prime minister lasted two hours. At the same time in an adjoining room, a meeting of representatives of the seven parties creating and supporting Jan Olszewski's government was in progress. After his meeting with the prime minister ended, Tadeusz Mazowiecki did not answer any questions from journalists. He said that one could only talk about specifics after tomorrow's meeting of the 10 groups, i.e. the government coalition plus the Democratic Union, the Liberal Democratic Congress, and the Polish Economic Program.

Kaczynski: Coalition 'Last Chance' for Democracy

AU2204081592 Warsaw NOWY SWIAT in Polish 16 Apr 92 p 2

[MK report: "Last Chance For Democracy"]

[Text] Center Accord leader Jaroslaw Kaczynski described the formation of a grand coalition as the last chance of creating a strong and fully democratic government in the face of the existing threats.

The deteriorating social moods could encourage semi-democratic solutions, said the Center Accord leader, addressing a meeting of the Center Accord Parliamentary Club. Present events also show that "there is a political dispute going on in Poland not on the subject of this or that decision, not about who should make decisions, but on whether or not Polish life should be governed by a new order or the old one." Defense Minister Parys' changes to the Polish Army have upset the military structure created by General Jaruzelski. "Just as it looked as if the status quo might collapse, the Belvedere launched a counterattack," said Kaczynski, adding that whatever one might think of Minister Parys' conduct, "Polish democracy cannot develop safely if the old order continues to dominate the strongest and most important parts of the state apparatus. It is absolutely essential to remove it."

The remainder of the meeting was devoted to splits within the Center Accord. Deputy Slawomir Siwek said that the Hnedziewicz group has no right to use the label "Christian-Democratic." "Deputy Dziubek, Senator Grzeskowiak and I were among the founders of the Christian Democratic Forum," said Kaczynski. "The Christian Democrats are a group of people dissatisfied with their position inside the Center Accord, and the existence or nonexistence of a Christian Democratic stream has nothing to do with it." He also asked the press not to use the term "Christian Democratic faction" any more, because there is no such faction.

The Center Accord leader said that his party is not threatened by any split. The most that can happen is that a small group of members might secede. If someone in the party constitutes a minority, he must acknowledge the will of the majority, and cannot act against the party in an "unacceptable manner," said Kaczynski.

Nastase, Genscher Hold Official Talks

AU2104154892 Bucharest Radio Romania Network in Romanian 1300 GMT 21 Apr 92

[Text] Prior to signing the treaty between Romania and the Federal Republic of Germany and the accord in the area of management, the delegations led by Mr. Adrian Nastase and Hans-Dietrich Genscher held official talks at the Ministry of Foreign Affairs. During the talks, the sides examined questions linked to Romanian-German bilateral cooperation, and especially the way in which this cooperation may contribute to building a new Europe and the way in which Romania and Germany may contribute to establishing new relations among European states.

Mr. Hans-Dietrich Genscher emphasized that Germany will firmly support Romania's integration in West European structures and especially the beginning of negotiations on Romania's association to the Common Market, which Germany views as a transition to Romania's integration—with full rights—in European communities. The German dignitary stressed the particular importance of setting a date as soon as possible for the general elections in Romania and the significant political signal this would represent.

In his turn, Mr. Adrian Nastase emphasized the particular role played by German help for our country with a view to treating Romania without any discrimination, compared to the other countries in East and Central Europe. In this context, he stressed that from a geographical point of view and in the light of political traditions, Romania belongs to Central Europe.

At the same time, Mr. Adrian Nastase stressed the particular importance of a clear and firm German assistance for the economic reform process in Romania. The Romanian foreign minister also asked for assistance in facilitating contacts and cooperation between Romanian and German businessmen.

Treaty Signed; Statements Made

AU2104153692 Bucharest Radio Romania Network in Romanian 1300 GMT 21 Apr 92

[Text] The Treaty Between Romania and Germany on Friendly Cooperation and Partnership in Europe and a government accord in the area of management were signed at the Ministry of Foreign Affairs in Bucharest today. The document was signed by Mr. Hans-Dietrich Genscher, vice chancellor and federal minister of foreign affairs of Germany, who is visiting our country, and by Mr. Adrian Nastase, Romanian minister of foreign affairs.

In his speech after the signing of the treaty, Mr. Hans-Dietrich Genscher said that through this document an important chapter is opening for Romanian-German relations thus creating an appropriate and comprehensive framework for dynamically developing these relations in essential areas.

In his turn, the Romanian foreign minister, Mr. Adrian Nastase, emphasized the importance of the treaty for the development of Romanian-German relations and termed today's event as a special event that is permeated by the new European spirit and by what is characteristic in the traditional relations between the two peoples.

Here is a fragment of the speech made by the vice chancellor and federal foreign minister of Germany, Mr. Hans-Dietrich Genscher:

[Begin Genscher recording in German, with simultaneous Romanian translation] It was particularly difficult for Romania to overcome the former system. Here freedom and democracy had to struggle against a communist dictatorship that was particularly oppressive. Two years after the overthrow of the dictator, the democratic change of the society is irreversible. The development process toward a normal democracy cannot be ignored. This was recently emphasized during the local elections.

We confide in the fact that the force of democracy will (?also be proved) during the coming general elections.

This treaty is founded on this development and will take effect in accordance with this development. There are positive prospects in relations between Germany and Romania. This was especially stressed by the effective progress of negotiations on this treaty.

Our countries are linked through a natural bridge, namely the German minority that has been living in Romania for about 800 years. This minority has made a great and unmistaken contribution to Romania's life and culture. This fact has been especially mentioned in this treaty. What is important today is to preserve the prospects for the German minority and to preserve its identity in its native homeland. It is, therefore, of great importance that the treaty stipulates the standards regarding minorities, the CSCE principles, and those of international law. Thus it creates a foundation that ensures, from a legal point of view, too, the existence and preservation of the German minority.

This brings us closer to our objectives, namely to implement the European principles regarding minorities and to lend them a compelling nature under international law. [end recording]

[Begin Nastase recording] I am convinced that Romanian-German relations will not only constitute a link between the two countries, but also an important factor for stability in this part of Europe, which is, perhaps, the most vulnerable part on the continent at this time. To this I want to add the natural scope of relations between our countries—the Danube based on which there are all necessary preconditions for extensive cooperation and understanding.

In this sense, we rely on Germany's full assistance in our efforts regarding Romania's association with the European Community and the West European Union, and

regarding developing partnership relations with NATO, and, in general, regarding our country's integration in European structures.

When we talk about Romanian-German relations, we also think about the existence—for more than 850 years—of a German minority in Romania, which has made and is making an important contribution to the development of the Romanian society. [end recording]

Nastase Receives Russian, Armenian Officials

AU2104070292 Bucharest ROMPRES in English 1900 GMT 20 Apr 92

[Text] Bucharest, ROMPRES, 20/4/1992—Monday, April 20, Romanian Foreign Minister Adrian Nastase received, successively, Fiodor Kovediaev [name as received], first deputy minister of foreign affairs of the Russian Federation, and George Kazimian [name as received], deputy minister of foreign affairs of the Republic of Armenia, now in Bucharest to attend the conference on the adoption of the convention on the protection of the Black Sea against pollution.

During the talk with the Russian first deputy foreign minister opinions were exchanged on the intensification of bilateral contacts at various levels, the adoption of tangible steps towards building the juridical framework for the development of the Romanian-Russian relations in the political, economic, cultural and other areas, the continuation of cooperation between the foreign ministries of the two countries and the promotion and attainment of these goals. As for the developments in the Eastern part of the Republic of Moldova the need was stressed to implement the measures covenanted and enshrined in the documents adopted at the meetings of the foreign ministers of Moldova, Romania, Russia and Ukraine to stopping the escalation of the conflict and the bloodshed, to end putting conditions in place for a settlement of the conflict, and to respect the territorial integrity of the Republic of Moldova.

The talks with the deputy foreign minister of the Republic of Armenia focused on questions related to the evolution of bilateral ties after the establishment of diplomatic relations between Romania and Armenia, to the measures to be further taken to provide the juridical framework and develop the Romanian-Armenian cooperation in various domains. The deputy foreign minister of Armenia renewed the invitation extended to Adrian Nastase by the Armenian foreign minister to pay a visit to that country. During the talks opinions were exchanged on the political, peaceful settlement through dialogue of the conflict in Nagorno-Karabakh.

Iliescu Interviewed on Balkan Issues

NC2004142992 Athens ELEVTHEROTIPIA in Greek 13 Apr 92 p 13

[Interview with Romanian President Ion Iliescu during the Athens International Conference on Europe and the Mediterranean in the New World Order by ELEVTHEROTIPIA correspondent Mary Pini; date not given]

[Text] [ELEVTHEROTIPIA] The Athens conference concerns the security of the Balkans and the Mediterranean. In view of the current dramatic situation in Yugoslavia, how can this be guaranteed?

[Iliescu] "I opposed Yugoslavia's dissolution. We are closely following any secessionist moves, which events in the former Soviet Union have accelerated and influenced. Yugoslavia collapsed too fast and tensions, instead of lessening, have multiplied. The Skopje issue has contributed to this and the so-called 'Macedonian problem' is complex, its outcome unforeseeable. It takes tension into the south and requires everyone's attention. I hope and wish that all of Yugoslavia's internal forces and those of the EC will contribute to a viable political solution."

[ELEVTHEROTIPIA] What do you advocate on the Skopje state and its efforts to be recognized?

[Iliescu] "Our position is well known, we expressed it to Samaras. Macedonia and the surrounding area have appeared in Greek history for 2,500 years. Now the state of Skopje or the so-called 'Republic of Macedonia' is a zone in the south that was established later and comprises the great oriented [as published] Bulgarian, Albanian, Serbian, and other nationalities. If such a state is recognized, it will be difficult for it to stand on its own feet and survive. The question is which nationality will prevail and what direction will it face? What will happen to Greece? This is why I told you that tension, secession, recognition, and so on multiply problems in the Balkans instead of minimizing them."

[ELEVTHEROTIPIA] The other source of insecurity in the Mediterranean area is the Cyprus problem. What do you think about that?

[Iliescu] It depends on whether the two communities—Greek Cypriot and Turkish Cypriot—will jointly find a viable solution and whether Greece and Turkey want such a solution and look for one. All sides must accept the solution."

[ELEVTHEROTIPIA] Mr. President, can Greece rely on Romania's friendship and cooperation? Are your ambassador's words about an axis of cooperation between Greece and Romania valid?

[Iliescu] Of course. We are linked by a friendship 2,000 years old, religion, and common struggles for independence from the Turks. In the past two years, relations have further improved. Prerequisites and the will for exemplary relations exist in every field. As for the axis, I call it an axis for stabilization in the Balkans.

Iliescu Accused of Securitate Ties

AU2104184192 Bucharest AZI in Romanian 14 Apr 92 p 1

[IRIPRES-signed article: "I.Iliescu-A. Paunescu Pact"]

[Text] A fast and open regrouping of political and Securitate forces that served the Ceausescu regime is systematically taking place in Mr. Adrian Paunescu's fiefdom and under the banner of his publication TOTUSI IUBIREA [STILL LOVE]. After the latest "successes" scored in this respect, the appropriate reward also appeared: congratulating him for maintaining unspoiled the revolutionary spirit, President Ion Iliescu offered Mr. Adrian Paunescu the position of director of the daily that is close to his heart, namely DIMINEATA [THE MORNING]. The offer came right after the publication in the last week's edition of TOTUSI IUBIREA of certain information about the Roman family—forged information that originated in the Securitate files.

Through the association—based on the well-known means of lies, deletion, and forged files—between the "former Securitate, Adrian Paunescu, and Ion Iliescu" one of the "strongest" political pacts in the post revolutionary period is being forged.

Roman Calls for Unity in Salvation Front

92BA0760A Bucharest AZI in Romanian 25 Mar 92 pp 1, 3

["Text" of speech by National Salvation Front Chairman Petre Roman to the Bucharest Municipality Conference of the Front on 22 March]

[Text] The country will not perish! What will perish of course, is what has been lying to us for 45 years! And if the National Salvation Front continues to cling to this past, the National Salvation Front will also perish! This is what we have fought for and for this we continue to fight!

Let us begin by saying where it hurts. It hurts that today, the National Salvation Front can still be considered to be a party associated with the past. A lot could be said about how and why this is so! What is certain, is that this is what hurts us the most, that this is the National Salvation Front's greatest peril, that this is the question which troubles us, which we must answer, that this is the meaning of the National Convention; and from it all, we will form a party that will have the right, with its head held high, to govern the country!

And now let us get to more concrete points. What were we left with, fellow delegates, what were we left with, from the miners' protest in September? What were we left with? We were left with only one thing: with a government that is affiliated with the National Liberal Party. That is what we gained in September, beyond the violation of the Constitution, beyond the violation of democratic principles, beyond the shame through which we lived! And if that is how things are, let us see what benefit we have derived from it. It was said that there would be two benefits: One benefit would be that we have changed Romania's image abroad—which would bring us additional financial resources, and another, the claim that domestic conditions would be quieter and that people's lives might be improved. Neither of these things came to pass. Neither of them is currently a reality. In this government, the National Salvation Front could only lose as a party, because all the difficulties to which the people continued to be subjected were attributed to the National Salvation Front, while the National Liberal Party managed to appear to be the faithful opposition while serving in the government. This is unprecedented! I am not the one who supported such a political solution, nor was this the political solution considered when democratic values, and ultimately all of us, were rejected in September. To this day, all the financial resources that have supported the country's balance of payments, that have supported the government's projects, were those negotiated by the previous government. Nothing additional has been obtained so far, and until we have a general election that will sanction political pluralism, that will sanction a democratic image, that will sanction a government policy for credible reform, there is no chance that anything like it will occur. Nor is this even our real problem.

I would like to give you a few essential points. I am not annoyed by these questions from the audience, because what I have to say are things that I know must be said in any case.

Between June 1990, when the government elected by the ballot of 20 May came to power, and September 1991, a span of about 16 months, we have witnessed an industrial production drop of 24.7 percent, and during the four months between October 1991 and January 1992, an additional drop of 12.8 percent. During these 16 months, consumer prices increased by 219 percent; and during the coalition's four months they went up by 66.3 percent. At the same time, the country had 183,680 unemployed in September, a figure which reached 312,800 in January 1992. And this did not achieve the objective of higher productivity. What does this mean? It means that although a government overthrow which can only be regarded as having violated democratic principles did take place, because of this original difficulty, this situation which overburdened the government that was formed, and caused it to leave, because of the fact that it resorted to a false coalition, a coalition whose aim was neither the economic program nor the political program, but a struggle for power, we find ourselves today in a situation that is more difficult than that of September 1991. Necessary explanations were repeatedly offered for the government actions for which we were responsible. The balance sheet, real data, have been presented. Today, I want to tell you, only in response to accusation attempts—because some are determined to accuse—I want to remind you of only one thing, which is that I have learned that the government which I led, spent the

currency that we found in the country's Treasury in December 1989, in a manner which is unintelligible and censurable; I have learned that we are also guilty for the fact that we now have an economic obstruction which is partially due to the nationalization, the currency confiscation of November 1991, in other words, when we no longer were in the government; all of these things attempt to expose that which would have been much easier to discover if the data and truth had been accepted as already presented. Because I want to remind you that in March 1991, at the government's request, Mr. Vatasescu and Mr. Isarescu presented to Parliament a complete report on the manner in which the country's currency had been spent; and the Parliament raised no objections to that report. The report was public, the report was made available to the press, and the report clearly stated what our option had been. And no one came to say that these options were wrong! The report also spoke of the great difficulties created by the disappearance of the socialist camp with its privileged economic connections, by the severing of those connections in January 1990, when in fact this matter was decided, by the disappearance of the markets privileged on the basis of ideologic criteria, the disappearance for practical purposes, of the supply system for normal operation of the national economy. Confronted with these difficulties, which any other country would have considered catastrophic, we nevertheless undertook our reform. And in practical terms, the reform, in its sense of justice, in its legal sense, did take place and was, no matter what is being said, a great achievement of the FSN [National Salvation Front] government. But the economic difficulties were great and continued to grow. Economic difficulties which became increasingly ponderous, economic difficulties to which our mistakes undoubtedly also contributed. Mistakes of ignorance or mistakes resulting from objective conditions, and which as I have indicated, we acknowledged more than once. But I believe that we managed these economic difficulties, this condition of economic decline, this economic burden to our population, with the maximum possible social protection! With the maximum possible social protection. From this standpoint I can say that we were altogether true to the program with which we started, which addressed the matter of social issues. I can even go further: That not even during the period of provisional government, when nothing more happened than to provide great flexibility for an administration which we inherited—nor was it possible to do more than that during those provisional months of provisional power—even then and under those conditions, we presented to the former CPUN [Provisional National Unity Council] in April 1990, a program with a detailed proposal for spending our available resources. Once again, at that time, both the press and the political forces agreed with it, because at that time we restored the whole livestock sector and fowl combines. And that is why 3.5 times more meat was distributed in Romania in September 1991 than in September 1989. And how was this done? Not by importing! No meat was imported. It was through domestic production! That is the wager we won, gentlemen!

Coming back to a political issue: the problem of the workers and the so-called desertion. I have said that what we must desert is the communist formula of the 45 years of lies, that we stand alongside "the great workers' masses in cities and villages." How did we stand alongside them for 45 years? With lies! Nothing more. We must deliver concrete answers to the people. The people are people, they are not the masses. The masses have no names! People have names! Who will now take it upon himself to address the workers with lies? Who will now take it upon himself to tell the workers that we will do for them what we know for certain we will not do? Not us! We will not behave this way, we have no intention of doing it, we do not have the right to do it! Instead, we will harness ourselves to the heavy, enormous wagon which to understand our situation, in order to offer solutions and tell the people: here is what awaits you, brothers, here is what we propose to do! By workers' categories, for each level, for each section. I will give you a very simple example: since July 1990, a number of enterprises have been doing quite well, particularly new units, either private or joint companies, that were created after September-October 1990. Ask those workers if they are satisfied. I will tell you: they are very satisfied. That is the issue: Let us not speak of the workers in general, but speak to the people about what concerns them, directly. Because they have had their fill of lies, and that is what weighs heaviest on us today: that we still sort of want to lie in order to get out of deep water, and that we do not realize that lies walk on short legs, as the people say, and today, barefooted as well.

Reality categorically dissents, fellow delegates. The reality is that we must offer the people definite, concrete answers. The program we have proposed states that we no longer have the right to remain passive, that the people indeed expect a change from us; the fact that—as we have been able to calculate—700,000 of the 2.3 million votes cast at the Democratic Convention came from the workers, is a very serious signal, a signal that should make us think very seriously. I, for one, have thought about it very seriously. Because it means that there has been a change in attitude.

We therefore want to be a political party in electoral competition with other parties, whose image, whose proposals will correspond to what the country wants and not to what we want!

The country elects us, we do not rule it!

Our concern is not for the opposition not to win, our concern is how we will win! There is a great difference between the two. Because if we propose something credible, with which we will win, it means that there is a chance that the opposition will not be credible. And vice-versa. If we are not credible, they will become credible and we will be relegated to a corner of history. The situation in March 1992 is totally unlike that of May 1990. Then, we all carried great hopes; we believed that because the dictatorship no longer existed the regime as well as the system would disappear. And that is not true!

Not only does the system not disappear on its own, but a definite political will is needed to make the system disappear. We must also keep something clearly in mind: between the democratic system which everyone wants today—sincerely or insincerely, they all profess to want a democratic system—and the communist system, there is no middle way. They are at opposite poles. The greatest break, the most categoric ideologic break, has been the one between social democracy and communism! Why not say it? Do we want social democracy to be another form of the past that we are abandoning, that the people has condemned? Let us be aware of this extremely important shading. What are we advancing, what political ideology?

I have often been accused—even today, here, someone did it without any explanation—of having switched, of having forsaken social democracy. I wonder what social democracy they mean? Because as far as I am concerned, I have studied and spoken with all the well-known figures, I studied the trends and spoke to all the important names who currently stand for and represent social democracy in the free, modern, developed world. I think I have formed a very clear idea on the matter, which we can discuss here. My opinion about social democracy is in the motion which I have presented, where I have stated very clearly what social democracy is today.

On what grounds do you say that I have forsaken social democracy? On what grounds? Only for the sake of a little demagoguery, to say to the people: let us see, if we are social democrats, we are with them, the multitude? We are with the multitude if we tell the multitude exactly what we offer, and they believe us! The rest is lies.

Beyond that, however, I can say that I too have my own concerns and perhaps even my own sorrow. It is true that in the present condition of the Romanian nation, the condition stemming, issuing from our legacy, first of all from an economic standpoint—because that is the cause of our difficulties, the fears that what is happening around us could affect us as well as a nation, as a country, for the concern and distress which I feel as well as you, for a certain state of disintegration in this country, reflected in a certain apathy—all of which force us to think very seriously about the same issues with regard to the National Salvation Front as well. This is when I became constantly torn by a dilemma, a great dilemma. Where does the struggle begin for unity in clarity, and where is the image tarnished with reflections on the country and the country's unity? I have weighed these matters thousands of times; it is the only issue that I have pondered without interruption. This is truly what I believe is my responsibility: To very carefully weigh when our image can hurt the country. I want to tell you that Romania is strong; Romania is secure and Romania is ours if we keep in step with the world, if we step in the direction of history. But if we oppose it, we are in danger!

In the motion that I presented, these thoughts are also expressed as a clear option, in concrete ideas, both in terms of foreign policy and in terms of defense. I would ask you to meditate on what it says. With respect to foreign policy, it very clearly shows that Romania needs to be in a system of secure protection and alliances; alliances that will never endanger its fate, not even speculatively, not even through a diplomatic byplay. This is what I thought from the first instant of the revolution—that our task is to rebuild Romania's diplomatic situation, its situation of objective, natural, manifest alignment with the free, developed, civilized world, to which Romania has rightfully belonged since 1945. That is why I was extremely worried by the development of events during the Moscow coup; because it was obvious that there was no need for, that a new alliance with a new Soviet power was inappropriate, instead of clearly expressing the place Romania has by right in the international community, by right, by deed, and by all its historic and military traditions! I was concerned last night for instance, when the television said straight out and with great pleasure that the sovereignty and peace of the Moldova Republic are assured by Russia, Ukraine, and the Byelorusian Republic. Is that true? Diplomacy imposes realism. But diplomacy also imposes clarity. Let the world know what we want! Let the world know where we are going! Let the world know whom we have chosen and what we have chosen! Ask the people if it feels that this is where the Moldova Republic should draw its security! I think that the answer will clearly be no! If we were not afraid of the Soviet Union, a superpower equal to the United States, are we afraid now? Of whom? Of some states that are also trying to move toward democracy? Here again is the absolute clarity that we need, but of which we did not benefit.

All of these things, fellow delegates, these few topics I have presented, are as many issues that the Front must settle in order to become itself a party with a future, with a foundation, solid, trusted, and with confidence in Romania. What does social democracy mean? What are Romania's natural alliances, and how do we renew them? Where does Romania's security lie? What does an FSN government or a coalition government mean? What are the positive, and especially negative effects on the National Salvation Front? What are we proposing to the people for the upcoming period, which will be difficult? Will we tell them, yes brothers, vote for us, that everything will be alright, that we stand by you? That means nothing, and increasingly less. Some might vote for us out of some inertia, some affection, some emotion—as someone has said. And after that, what do we do? The situation will be difficult, increasingly difficult. What are we waiting for? For the people to come out into the street and point at us? To sweep us out of the Romanian political life? Or do we say now that we are aware of the real conditions? That we offer something concrete? That we know what we are undertaking, the obligation we are assuming? I agree with many of those who are afraid, who are concerned with the possibility that the right-wing opposition might come to power. But I have not heard, I have not seen any offense strategy against those parties, beyond the idea that they are monsters. What if the people do not believe they are monsters? Seven

hundred thousand workers no longer believe they are monsters. I have not heard of any such serious strategy. Between the two rounds of local elections, after long reflection and study, taking into consideration analytical factors and results, I produced an offense strategy against this right-wing opposition. I said—you might have read the interview in LIBERTATEA—two things: that these parties do not have right-wing legitimacy because they did not develop a modern economic policy when they were in power in Romania, and secondly, that they did not analyze their former administrations with respect to the great social disparities, the great social injustice they created. Here then, is a powerful offense strategy against them. Why do not the... comrades criticize me for this? In exchange, the comrades have begun to flirt with the idea that "we are reaching an understanding with the National Liberal Party." In any case, for the time being, they have succeeded in entering the governmental coalition after seriously violating constitutional principles in September. I have even heard here and there that "we understand each other"! At least with one of the National Liberal Party leaders; that is what I heard! But I never heard this as coming from Petre Roman; only the political offense strategy to support the Front in repelling the right. And we mean it when we say the right must be driven back. Just as we must once more, clearly state: yes, we are against any reestablishment of a communist-type left wing! We are a social democratic party, and the sharpest ideological break exists between the social democratic party and communism!

Between the two voting rounds, and not in demagogic terms, but this time from the heart, I wondered why did not the workers come to vote for us? Why did they abstain from voting? At the same time, both in an interview with LIBERTATEA and in a press conference, I spoke for the first time about the workers' sentiment of being uprooted, because the workers as a group exist only in organized forms, economically organized of course, but not politically. We have the obligation, if we are a governing party, to know when these forms of organization are in danger, and to eliminate at all costs the workers' sentiment of being uprooted. It is I who said that as well! Where were the comrades? As you can see, I identify with the workers! These are not empty words, for me to say what makes it seem that we and the comrades are together! I identify with them, because then we can consider what needs to be done! I feel bad when the people of this country are in difficult circumstances. And this has been the pain I have felt since 22 December 1989 until 17 October 1991! Day after day, day after day, it is either a strike, or there is no gasoline, there is no oil, there is no this, there is no that! That has been our administration. That is why, without any question, I believe that the National Convention must discuss these issues very clearly and explicitly. We must be a party which people can trust. With words, with empty pleas for solidarity, this party called the FSN, our party, is in danger of ending up in a corner of history. That is what I wanted to avoid, fellow delegates. I have no personal ambition with respect to these things, but I have a great responsibility with respect to them. You have invested me with this responsibility and in my view, a man has who has a responsibility must discharge it. He must tell those who are expecting it what he thinks, what needs to be done; someone has to have the courage to do it. And if it does not begin with those who are leading the party at any given time, who else will do it?

I ask you to note that not once since I started this discussion, did I adopt a negative attitude against those who have performed political analyses of the party. There exists not a single line to indicate it; I have considered that any political analysis is good. Less so when other attacks were being carried out: when we began to talk of lies, government corruption, defamation, and when we again started to use the services of the Securitate! When we started again to use those who were the gears of the former party mechanism, and who are in all the special interest networks that have brought us the greatest governing misfortunes. Someone had to say it; someone had to explain these things. This is how things are; they are not otherwise. If we coddle them, if we say some incantations over them, it does not mean that they do not exist and that they will not blow up sometime. These are very serious topics, topics that trouble the people. Somewhere, in their own way, they have a sentiment of history, of our evolution. Our whole political message must be just that: faith in the nation's history, faith in today's people. To those who do not understand it, I would say: "Whenever you question someone else's honesty, consider how others see you!"

Allow me to close with the assurance that I will not achieve unity for the Front without knowing the meaning of unity, and with the faithful promise that I will undertake everything necessary for the development, the existence of this party as political party, in the democratic competition which we want to win. We will place everything in the balance—my own person included—and I will place in the balance all that God or my education has given me, for those who believe in us, those who—and they are many—still believe in us, to send them a clear message and to open the way for even greater confidence. Let there be confidence on the part of those who are not purely and simply an elite, but who are persons with the greatest, the most profound influence the consciousness of the Romanian people: enlightened minds and the youth. We must be strongly aware that these enlightened minds are not counted in vote percentages, they are counted insofar as they represent a part of the people's consciousness, and insofar as they influence this consciousness. They represent the image that the everyday person looks at. If these minds are not with us, if these individuals will not stand by us, then it means that we are once more turning to the idea that they are somehow superior, an elite with which we can more or less dispense, and that would refute the reality of Romanian culture, tradition, and history. I will remind you that 1848 was

created by a handful of men. The Romanian people followed them because they had a conscience, courage, and faith in something. The same happened in 1859, and at so many other times in the nation's history. So what do we do? Do we count them and say: you represent 5,000 votes, we are not interested!? Or do we see that these five, ten, hundred thousand votes, these hundreds of thousand enlightened minds in turn represent millions and represent Romania's image abroad?! We are not speaking of elites, we are speaking of the Romanian people's soul and consciousness.

I promise you that we will bring this political message to the National Convention. I am confident that there, we will be able to bare our souls, and in particular, put our minds to work, so that we may get out of this mess—I am sorry, someone was saying "we want to know how to get out of this mess"; I think that we should answer another question: which way are we heading, once we get out of this mess? The most categoric question, or rather statement, that I have been making since September, is for what, not whom—for what? That is what the Romanian people must know. Thank you.

Izetbegovic Briefs Media on Sarajevo Situation

LD2104151692 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Apr 92

[Report from Sarajevo by Slavko Rako]

[Excerpt] Only a few moments before I dispatched this report, two powerful explosions which took place in Sarajevo shook the windows of the Bosnia-Hercegovina Presidency building from where I am reporting. So far we have not learned anything about the location of the two explosions.

A few minutes ago a news conference ended in this building, given by Bosnia-Hercegovina Presidency President Alija Izetbegovic in the international press center. Izetbegovic began by announcing that the Presidency has not accepted Prime Minister Jure Pelivan's resignation and that he has been granted a mandate to carry out a radical reshuffle of the government and given full freedom to do that. The Presidency also insists that this should be a government of experts. Representatives of all seven parliamentary parties have agreed with that. Normally, representatives of the Serbian Democratic Party and the Serbian Renaissance Movement are absent.

And now I should like to talk again about events in Sarajevo which this morning [words indistinct].

Alija Izetbegovic said that Sarajevo had come under an attack which was fortunately repulsed. However, judging by what we can hear in Sarajevo now it appears that the situation is changing. According to him, the aim was to take control over three city municipalities where buildings housing Sarajevo Radio and Television and the electricity board are situated. The attack was repulsed, as he said, by defenders of Sarajevo, who are no longer going to appeal to anybody but will rather put up an intensive and active defense. Alija Izetbegovic also said that the army has not been asked to intervene, and that the Presidency has information that the army has not been directly involved.

Asked who is launching attacks on Bosnia-Hercegovina, Alija Izetbegovic said that for political reasons, the aggressors have not yet been named. Only one aggressor has been named—these are extremists of the Serbian Democratic Party aided by groups infiltrated from Serbia, as he said. As regards the Yugoslav Army, Izetbegovic gave an ambiguous reply: The army's behavior is erratic in Bosnia-Hercegovina; in Hercegovina it is an aggressor while in central Bosnia it is something else. He said that a war with the army would not suit the Presidency, which is rather trying to offer the army a chance to correct its stands. Asked whether the people of Hercegovina, where the army is an aggressor, would accept such corrected stands, Alija Izetbegovic replied he does not know. [passage omitted]

U.S. Intervention 'Not Realistic'

AU2104214792 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 21 Apr 92

[Text] Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, this evening stated for Yutel that Radovan Karadzic, president of the Serbian Democratic Party of Bosnia-Hercegovina, had asked him to order a cease-fire in Sarajevo, but that he did not send such an appeal for cease-fire to the Serbian forces that he controls.

According to TANJUG, Izetbegovic appealed to the citizens of Sarajevo to endure in, as he stressed, the defense of Sarajevo. In a reply to a reporter's request for a comment on the news broadcast by Yutel this evening, according to which Fikret Abdic [member of the Presidency of Bosnia-Hercegovina] will send a letter to U.S. President Bush and ask the United States to intervene militarily in Bosnia-Hercegovina, Izetbegovic replied that this is not realistic. It would be more realistic for the EC to intervene, that is to say, that such a decision be made at the CSCE session scheduled for 29 April.

Karadzic Appeals for Halt to Sarajevo Fighting

AU2104212392 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2000 GMT 21 Apr 92

[Statement by Radovan Karadzic, president of the Serbian Democratic Party, in Sarajevo on 21 April—recorded]

[Text] The situation in Sarajevo is chaotic, and fighting is taking place in several places. The town is simply in danger of suffering major material damage, and what is most important, suffering losses in terms of human lives.

The chaos is becoming increasingly serious, and I am using this opportunity to beg and appeal to all those who can stop the fighting, above all Mr. Izetbegovic, then the commanders of the newly created Territorial Defense of Bosnia-Hercegovina, and all individuals who have weapons, to immediately stop gunfire in all parts of Sarajevo, because we are about to meet with Lord Carrington and Mr. Pinheiro, who will enable us to end our disagreements around a negotiating table.

I am repeating my appeal. At this time shooting is going on in several places in the town. This is the introduction to chaos; this is the introduction to Sarajevo's nightmare. I am appealing to all those who can stop shooting to do so, ranging from Mr. Izetbegovic, commanders of the Territorial Defense that was recently founded, to armed individuals. Thank you.

Urges Unconditional End to Conflict

LD2204110292 Belgrade TANJUG Domestic Service in Serbo-Croatian 0948 GMT 22 Apr 92

[Text] Pale, 22 Apr (TANJUG)—SRNA [the Serb News Agency] is carrying a statement by the president of the Council for National Security of the Serbian Republic of Bosnia-Hercegovina, Radovan Karadzic, saying that

Muslim forces attacked the Serbian municipality of Ilidza from Sokolovic Kolonija early this morning.

Because of the large number of wounded people, Karadzic is appealing to all individuals and commanders to end the conflict unconditionally. Yesterday's and today's clashes are aimed at preventing Lord Carrington from arriving and thus, at preventing a peaceful denouement of the crisis in Bosnia-Hercegovina, the statement of the Council for National Security of the Serbian Republic of Bosnia-Hercegovina says.

Presidential Adviser Muftic Discusses Situation

AU2204081992 Budapest MAGYAR HIRLAP in Hungarian 18 Apr 92 p 10

[Interview with Kamel Muftic, personal adviser to the president of the Bosnia-Hercegovina Presidency, by unidentified GRAFFITI reporter; place and date not given: "Sarajevo in the Blockade of the People's Army"]

[Text] The only thing Kemal Muftic hopes is that there is sufficient wisdom remaining in the "Yugoslav People's Army" to exercise self-restraint. In his view, General Adzic holds the key to the situation and it is up to him to see that Sarajevo does not become a second Vukovar, although he is worried about collaboration between the Army and Serb defenders of the area. A GRAFFITI news agency correspondent interviewed Kemal Muftic.

[Muftic] Concerning our situation, I can say that the Army has surrounded the town and it provides a certain degree of protection for the so-called Serb defenders. Naturally, according to the news media, there is much more to it than this, and there is no doubt about the collaboration between the Army and the "defenders."

[GRAFFITI] In your view, is the crisis worsening for Bosnia or are the greatest difficulties over?

[Muftic] Everything depends on what the Army wants. Their strength is unmeasurable and they possess capabilities that cannot be competed with. They have airplanes that break the sound barrier over Sarajevo and tanks that marched into some districts of Sarajevo. Generally, they keep all the vitally important establishments of the republic under control.

There is a particular problem in this situation, namely that rather than having opposing sides we have attackers and people being attacked. The local Serb defenders, who are very well-armed and equipped terrorists, attacked Bosnia's legal institutions and its loyal citizens, people who would like to fulfill their obligations. They are shelling the town. The civilian authorities and legal defenders do not even have guns to fend off the attack.

At the same time, the Yugoslav Army, which is positioned at every strategic location around the town, remains aloof from all this and does not restrain those who are shooting from behind their lines. Is it clear what I am saying? In order to reach their attackers, the defenders of Sarajevo have to break through the Yugoslav Army blockade first, which is impossible.

[GRAFFITI] Who can do anything in this situation?

[Muftic] The one who controls the weapons has the key to war and peace. At the moment, this is Blagoje Adzic—Army general, former chief of staff, and defense minister of the remaining Yugoslavia. I hope at least that this man has enough authority to take the necessary steps.

[GRAFFITI] Is it possible to talk to him?

[Muftic] He announced his visit, together with Branko Kostic, chief commander of the "Yugoslav People's Army." Fikret Abdic, a member of the Bosnian Presidency, traveled to Belgrade on 16 April to meet Adzic and learn the Army's intentions. There is no doubt that Sarajevo would face the same fate as Vukovar if the Army decided on an all-out assault. It is also certain that the ensuing popular uprising would finally cause the downfall of the Army, as in Croatia. Therefore, we know who will win in the end but we would like to avoid the terrible sacrifice. This is a case of aggression against an internationally recognized sovereign state, because troops have entered Bosnia from Serbia, Montenegro and, recently, Croatia. I need not say that we are not directing this "game."

[GRAFFITI] For a long time, it seemed that the "threat" virus would not infect Serbs living in Bosnia.

[Muftic] There have been lengthy psychological preparations. A propaganda war of incredible extent has developed since Milosevic came to power five years ago. They were pushing the notions of a Greater Serbia and that all Serbs would have to live in one state. With the help of groups of extremists in Bosnia, all of these radical acts led to the current situation. Radical elements supporting these ideas won the first multi-party elections in Bosnia. They came to power by swearing allegiance to the Constitution of Bosnia-Hercegovina, then later turned everything upside down. In the meantime, they maintained relations with their infamous base in Belgrade. Many respected Serbs in Sarajevo distance themselves from these ultra-radical Serb policies.

[GRAFFITI] How and when will this turmoil come to an end?

[Muftic] If only I knew! Perhaps the Army has enough wisdom not to start something that would mean hell for all of us. We do not have any MiGs, tanks, or guns, but those whom we bought these for in order to defend us if necessary do have them. This is one of the most tragic elements of the disintegration of Yugoslavia.

'Radical Reconstruction' of Government Planned

AU2104161492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1300 GMT 21 Apr 92

[Derde Tuzlik report from the Sarajevo]

[Text] I am reporting from the International Press Center of the Republic of Bosnia-Hercegovina where a news conference ended 10 minutes ago. Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, and Stjepan Siber, representative of the Territorial Defense Headquarters, spoke at today's regular news conference.

At the very beginning of the news conference, Mr. Izetbegovic spoke of today's Presidency session at which they discussed the composition of the new Bosnia-Hercegovina Government. Mr. Izetbegovic said that current Prime Minister Jure Pelivan offered his resignation. Izetbegovic also said that Pelivan's resignation was not accepted but that it was concluded at today's Presidency session, which was also attended by the representatives of seven parliamentary parties, that a radical reconstruction of the Government be carried out.

Therefore, the old Prime Minister Jure Pelivan is at the same time also a new premier-designate. His was given a free hand in constructing the cabinet and appointing new ministers along the present ones from all parties, including the non party experts. Mr. Izetbegovic said it was insisted that the new government be to a great extent an expert government that would at the same time also be able to obtain support of the parties in the Parliament.

This task should be implemented urgently. At the meeting, which as I already said was attended by the deputies, support was given to such a stance because all who participated in the debate and were guided by the current political situation, trying to avoid a long-lasting government crisis, agreed that this is the shortest way to a capable government, Mr. Izetbegovic emphasized.

Immediately after his introductory speech, Mr. Izetbegovic was asked a question referring to the current situation, that this, about the events that happened in Sarajevo this morning. Mr. Izetbegovic said that Sarajevo was again a target of the attacks that were luckily repelled—the western parts of the town were attacked, and the aim of the attackers was to take control over the three communes in which Sarajevo Radio and Television, the building of the Electricity Board, and other vital facilities, are situated.

The defenders of Sarajevo resisted these attacks, Mr. Izetbegovic stressed, and we must do everything in our power to improve the defenses. However, at the same time we should not be declaring war on anybody, but should continue with the present method of fighting such an aspect of aggression against Bosnia-Hercegovina from within and from outside, also with international appeals, international lobbying, and through diplomacy.

In the continuation of the Conference there were plenty more questions for which I really do not have the time to talk about and quote, although I have them all carefully noted. However, I would like to say a couple of words about the report by the Territorial Defense Headquarters, which became a daily occurrence in the International Press Center.

Stjepan Siber from the top leadership of the Territorial Defense Headquarters, who was introduced as an M.A. of the military sciences, spoke of the ways in which escalation of the attacks on young republic of Bosnia-Hercegovina has continued. This mornings' bombing and shooting in the town of Sarajevo was carried out by the weapons that the Yugoslav Army put into the hands of the Serbian Democratic Party terrorists, Mr. Siber said. Although the Army claims it was not involved, Mr. Siber continued, at least eight shells were shot from an Army tank on the territory of Radnicka Street and Ljubljanska Street. Fire was opened by officer Dragan Krstovic. Whether this was a crime of the tanks' commander is up to the Army to resolve, the representative of the Bosnia-Hercegovina Territorial Defense said. The places from where the fire was opened, he stressed, were Vrace, Latisnica, Padina, (?Trebevica) and from the direction of Lukavica. Bombs were falling on the old part of Bascarsija, near the cathedral, on the settlement of (?Mihere Vode) around and upon the Radio and Television complex, at the police station in Novo Sarajevo, Novi Grad, and so forth.

Therefore, the domestic and foreign reporters learned a lot of news in the International Press Center today, but for the 1500 [1300 GMT] Newscast this will be all.

Cengic Urges Government To Resign

AU2104120692 Belgrade BORBA in Serbo-Croatian 10 Apr 92 p 5

[Interview with Mustafa Cengic, minister in the Federal Executive Council, by "E.B.I."; place and date not given: "Authorities Frightened by People's Revolt"]

[Text] "The 'citizens parliament' of Bosnia-Hercegovina does not exist physically, but its spirit is there. It is the spirit of the peace-loving people who gathered to overthrow an incompetent government, and replace it with one that could offer a way out, and a future," BORBA was told yesterday by Mustafa Cengic, deputy federal secretary for information, and one of the organizers of the "citizens parliament of Bosnia-Hercegovina."

[Cengic] It was a media event that showed the world what exactly was going on in Bosnia-Hercegovina, and who was behind the bloodshed. I am making a great distinction between parties at this moment. The army and the Serbian leaders are armed to the teeth. They are the masters of war and peace. It is the politics of force and lies that is launched in Belgrade, and it must fail. But, ultimately I make no distinction between ethnic parties, which are the cause of all the trouble in Bosnia-Hercegovina.

[E.B.I.] There are various opinions on the "citizens parliament".

[Cengic] People gathered spontaneously. The gathering had not been planned in advance as some would like to present it. I myself went there spontaneously. It was not directed. As patriots, we all just found ourselves in front

of the Assembly. However, it is true that Nijaz Durakovic took advantage of the gathering. He took advantage of it in the same way that the others wanted to, which had some negative connotations, particularly abroad. It was a wrong, selfish gesture by Durakovic, a politician who could not feel the pulse of the people, but wanted to use the whole thing for promotional purposes. He received applause, but when the dust settled it became clear just how wrong his move was, how it stained a gathering that was morally pure.

The authorities got frightened by the people's revolt. All three sides tried to prevent it, either by snipers, or by turning off the microphones. Some barroom intellectuals came to the gathering, and created confusion. They only came to see if there was anything to benefit them there. But they all withdrew when the moment came to go with the people toward the Holiday Inn, where snipers were stationed, or toward Vrace, where there was a violent clash near the police school, or whenever a radical move was made.

[E.B.I.] Izetbegovic turned up at the "citizens parliament."

[Cengic] Izetbegovic was whistled at, as were the others who tried to direct the gathering. I cannot say that his intentions were not good, but as the leader of an ethnic party, he cannot speak in that role on one occasion, as a citizen on another, and as president of the Bosnia-Hercegovina Presidency on a third occasion. He has his political orientation, and promotes it wherever he goes, so it is normal that he came with a clear political intention. When he saw that he was getting more whistles than applause he demanded that the "citizens parliament" be dissolved. Every politician who is now trying to minimize the "citizens parliament," to disdain it, and present it in the wrong light, is a politician without a political ear, and will fail. That gathering only expressed the will of the people, and nothing else. Nobody forced the people of Tuzla to get into 70 buses and come here. From Mostar they wanted to move here, but they could not, and there were even cases of armed attacks on the buses.

[E.B.I.] There are dilemmas about the army's attitude toward the "citizens parliament."

[Cengic] We had negotiated with the army before the gathering, to have the people protected. We did not get any support. The army is insincere in all this. It has armed the Serbs, indeed is still arming them, and is pretending to be a peace-keeper. It never stated clearly that it was against all ethnic parties, all ethnic leaders. True, it did say that it would protect all ethnic groups, but it has not proved that yet. I have some documents from the presidency of the SFRY, the latest resolutions, and they say that the army will protect Serbs and Serbs alone, and that, in all the crisis areas, it will place exclusively Serbs in all commanding posts. So, nobody is truthful. Everybody is trying to get their politics across at the expense of their own people.

In Bosnia, the army is coming to the realization that it cannot go on like that. I received some information today, based on which I can say that there are healthy forces within the army, who have been promoting coexistence for years, and who will not allow the army to continue to develop into an ethnic, Serbian one. In Bosnia, the army should be counted upon in the most positive sense.

[E.B.I.] What future is there for the "citizens' parliament"?

[Cengic] The peace committee will continue its work, although I think it is a finished matter. However, those who think that the people have completely quietened down are wrong, because the revolt could start any time now. It is only thanks to the people that the bloodshed in Bosnia has not been as bad as everybody predicted. The ethnic leaders did everything to set the people against each other. The only solution is to get rid of them. You see, at the "citizens' parliament" hundreds of people took their turn to speak, and not one of them insulted any ethnic group, while the deputies in the Bosnia-Hercegovina Parliament cannot meet without throwing gross insults at each other, treating each other with disdain, and exchanging cross looks over the barricades. The Bosnia-Hercegovina Parliament will never get its act together. We should have new elections, because the ethnic leaders will never manage to agree on anything. After all, they have not been elected to govern forever. They have been elected by the people, it is true, but the people should be given a second chance, particularly as everything has completely changed, and we are at war.

[E.B.I.] What, in your opinion, is the role of the opposition in the events in Bosnia-Hercegovina?

[Cengic] The opposition is miserable. It cannot do anything. It has sunk into the mud, like everything else.

[E.B.I.] You are still a minister in the FEC.

[Cengic] Only nominally. The Slovene, Darko Marin, has left, and I stepped into his place. But I have nothing to do with the politics of the present FEC. At the latest session I came into conflict over the assessment of the events in Bosnia-Hercegovina. You see, what they are doing is trying a priori to pardon the Serbian side, and blame the others for all the evil. For example, when they talk of the paramilitary formations they never mention Arkan and his gang of criminals, or the "White Eagles." They are always talking of the other side. The FEC is instrumentalized, and is used as a weapon of one option, the Serbian one. I am waiting for an opportunity to state that publicly, and finish with it.

[E.B.I.] Your views have not endeared you to the Bosnia-Hercegovina authorities either.

[Cengic] I have become a thorn in this government's side since the "citizens' parliament". I do not accept their politics, and will not engage myself politically.

Green Berets, Police Storm Military Apartments

AU2104192692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 21 Apr 92

[Borislav Djurdjevic report from the Press Center of the 2d Military District]

[Text] An olive-gray armored personnel carrier appeared in the settlement of Vojinsko Polje in Djura Jaksic Street today, where it opened few bursts of fire at the apartments. After this, it returned to the Vojnicko Polje police station.

This armored personnel carrier was not property of the Yugoslav Peoples' Army [JNA] but of the Ministry of Internal Affairs. By painting the armored personnel carrier olive gray, they tried to imply that the JNA has opened fire.

According to what we have learned, one old man and one young man of the Serbian nationality were brought in the Vojinsko Polje police station where they were beaten up and mistreated without any reason.

Throughout the day, the Green Berets tried to forcibly enter a building at 26 Milutin Djuraskovic Street, where the military personnel live. They even threw a poisonous smoke bomb at the entrance. As we have learned just before this dispatch, the Green Berets are also attacking a building at Number 16 on the same street. Throughout the day the members of the Green Berets, Patriotic League, and Ministry of Internal Affairs, stormed several military apartments at various locations. For instance, six Green Beret members, among them one active policeman, stormed eight military apartments in the 27 July Quay. In the afternoon the Green Berets stopped one military vehicle of Pintzgauer type in (?Stupska Petlja) in which were Major Pero Despotovic, one civilian, and a soldier-driver. They confiscated the vehicle and took the three JNA members to an unknown destination.

Army Says It 'Has Not Fired a Single Shell'

AU2204125492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1000 GMT 22 Apr 92

[Interview with Borislav Djurdjevic from the Information Service of the 2d Army District, by an unidentified announcer]

[Excerpts] [Djurdjevic] The Sarajevo radio and television have several times during the day reported that the Yugoslav People's Army is shooting at the Ilidza Health Center. This is not true. The Ilidza Health Center is being shot at by members of the Ministry of Internal Affairs, the Green Berets, and the Patriotic League. These formations began an all-out attack on Ilidza this morning. At about 1000 [0800 GMT] the attackers were sent reinforcements consisting of about 80 policemen from the Public Security Station in the Sarajevo Vojvoda Putnik Street.

An attack at Butmir Airport also begun this morning. About 1030, shells began to fall even around the airport runway. The attack was launched by the Ministry of Internal Affairs forces, the Green Berets, and the Patriotic League.

All information on radio and television to the effect that Yugoslav People's Army tanks have been shooting are absolutely untrue, because the Yugoslav People's Army has not fired a single shell.

Colonel Karic's statement that the Army is shooting at Sokolovic Kolonija is absolutely untrue.

[Announcer] Please answer the following question: Citizens are very frequently reporting—they are bombarding us with telephone calls—that shooting is coming from the barracks.

[Djurdjevic] That is absolutely untrue. We checked this after various reports had been received. This is not true: the Army has not fired a single bullet. [passage omitted]

[Announcer] Colonel, please hear this, listeners are calling during this statement of yours and saying that they are watching with their own eyes shooting coming from the barracks in the direction of Sokolovic Kolonija. Can you please check that, just as we are going to check the facts you told us now. [passage omitted including indistinct passage]

[Djurdjevic] [Passage omitted] Let me say this: Members of the Ministry of Internal Affairs, the Patriotic League, and the Green Berets are painting their vehicles in Army colors, so that everything they do can be ascribed to the Army. This was established yesterday at [name indistinct] and last night in (?Grbavica).

[Announcer] Please answer one more question being asked by citizens in their hundreds of calls. Is General Kukanjac [head of the Second Military District, which includes Bosnia] in Sarajevo?

[Djurdjevic] General Kukanjac is performing his regular activities and doing his job.

[Announcer] Thank you for your report.

Air Force Drops Cluster Bombs on Capljina

LD2104134492 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Apr 92

[Report by correspondent Marinko Cavar from Hercegovina]

[Excerpts] The enemy Air Force dropped cluster bombs on Capljina, Citluk, Siroki Brijeg, Ljubuski, and Grude between 1200 and 1300 today [1000 and 1100 GMT]. According to as-yet-unconfirmed reports, one person was killed in Ljubusko, six sustained injuries in Capljina, while in other places only material damage was caused. [passage omitted].

The situation around the Capljina barracks, which should surrender is still uncertain. Snipers are still active in Mostar, the town is empty, completely isolated from traffic, without basic supplies. There is no electricity or water in Capljina and telephone communications, as is the case with the whole of Hercegovina, are deteriorating.

Serbs Take Left Bank of Miljacka Near Sarajevo

AU2104150292 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 21 Apr 92

[Risto Djogo report from Sarajevo]

[Excerpt] The war in Sarajevo today burst into flames and assumed unimaginable proportions. At 0500 [0300 GMT] this morning, New Sarajevo is the new battlefield. Fighting took place between Vrbanja Most and Hrasno. The Muslim Green Berets opened sniper crossfire from all buildings in Hrasno, particularly from the building of the Electricity Board and the Social Insurance and managed to rout groups of Serbian territorials that are not under the command of the Serbian Defense Forces of Sarajevo and the Ministry of Internal Affairs of the Serbian Republic of Bosnia-Hercegovina.

This was a sign for a general, well-planned attack of the Muslim- Croat forces with all available means. They opened fire from 120-mm and 82-mm mortars from Hum. The department (?F) of the Ministry of Internal Affairs of the Serbian Republic of Bosnia-Hercegovina in Vrace was hit. A number of other buildings were also fired at. A business building of UnionInvest was hit with the zolja [wasp—type of mortar]. The building is in flames. The Vrbanja gas station is nearby, and there is a great danger of the fire spreading to the station.

The building of Sarajevo Radio and Television was fiercely attacked, too. Information on who did this is contradictory. According to the information of the Sarajevo Center of Security Service, the attack on radio and television building was carried out by the Serbian territorials, while, according to the information of the Serbian Ministry for Internal Affairs, this attack was carried out by the Muslim forces, according to the already well-known scenarios of propaganda wars, to present the Serbian territorials to the world in a negative light.

The units of the Yugoslav People's Army did not take part in the clashes even though fire was opened from the positions of the Green Berets on a military personnel carrier that was extending assistance to the wounded. The Second Military District has not said anything yet. A statement is expected later, just as is a statement from the session of the rump Presidency of Bosnia-Hercegovina.

There were several killed and wounded in today's clashes. The situation calmed somewhat after 1400. According to the Serbian Ministry of Internal Affairs, the Serbian special force and territorials have already successfully taken the left bank of the Miljacka River. They have taken the building of the Electricity Board. A mop-up operation is currently under way in Grbavica and Kovacici. [passage omitted]

Sudan Recognizes Independence

LD2204035692 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Apr 92

[Text] The Republic of Sudan has recognized the independence and sovereignty of the Republic of Croatia. An official note was received in the Croatian Ministry of Foreign Affairs today from the Sudanese Ministry of Foreign Affairs confirming that the Republic of Sudan has recognized, as of 20 April, the independence of the Republic of Croatia and announced that an official delegation is to visit Zagreb soon. The Republic of Sudan is the 60th country to recognize Croatia's independence and sovereignty.

Serb Party Leader Appeals to Bush, Butrus Ghali

LD2104173892 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 21 Apr 92

[Text] The Serbian National Party [Srpska Narodna Stranka—SNS] has sent a letter to U.S. President George Bush asking him to lend his personal support to setting in motion the political process of delegitimizing Yugoslavia, as it no longer exists. This is voiced by citizens of Serbian nationality in the Republic of Croatia who are free in their political beliefs and embittered by the international community's inertia in curbing Slobodan Milosevic, the last dictator in Europe and the world, concludes the letter, which is signed by Milan Djukic, the party's president.

Milan Djukic also sent a letter today to UN Secretary General Butrus Ghali, in which he asks Ghali to commit himself to stopping the emigration and expulsion of the non-Serbian population from eastern Slavonia where the UN Protection Force [UNPROFOR] has been deployed. In recent days, from 18 to 20 April, members of the national-socialist paramilitary forces of the Republic of Serbia have been driving out and persecuting the non-Serbian population, Croats, Hungarians, Russians and Macedonians, from eastern Slavonia, from the territories where the UNPROFOR is stationed. Some UNPROFOR members are indirectly taking part in this. The SNS president calls on the UN secretary general to personally commit himself to putting an end to such serious forms of human rights violations, so that the international community and the United Nations will condemn them.

5 Killed in Artillery Attack on Vinkovci

LD2104210592 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 21 Apr 92

[Text] We have just received news from HINA [Croatian news agency] in Vinkovci that five persons were killed and one was seriously injured during this evening's Chetnik artillery attack on Vinkovci, the Vinkovci information center reports. All the casualties were civilians. The attack on Vinkovci started around 1900 from Ostrovo and Pacetin. Multiple rocket-launchers and tanks were used. A general alert has been sounded again in the city.

Mesic Says U.S. Recognition Changes Situation

AU2104101592 Zagreb VECERNJI LIST in Serbo-Croatian 10 Apr 92 p 5

[Interview with Stipe Mesic by Tihomir Dujmovic; place and date not given: "Army Will Break Its Teeth"]

[Text] Stipe Mesic, practically the first executive of the Croatian Democratic Community, always impresses with his almost proverbial calmness. Such was the case during the verbal war, then during the bloody war, and we find the same calmness now when the aggression against Bosnia-Hercegovina is mostly concentrated on those places where the Croats make up the majority.

[Dujmovic] Considering what you know about the aggression on Bosnia-Hercegovina, how do you think one can interpret the fact that these crimes are mainly being committed in the areas where Croats are in the majority? What do you think are the most striking features of this war?

[Mesic] I think that it has now become very transparent what Serbia is after, that is, what Milosevic and his regime are after. Their main aim is Bosnia-Hercegovina. The parts populated by Serbs have already been structured, and Serbian authorities organized. Next is the struggle for mixed communities, and that is where Milosevic is using the Army. The Army is again acting as an apparent neutral factor, as a barrier-zone between the warring sides. But that same Army has armed the Serbs, it controls them completely. The Army itself is controlled by Serbia, and does what Serbia wants it to do, in other words, it is fighting for the interests of "Greater Serbia". But they think that they can deceive the world, and it seems almost incredible that they have not yet learned their lesson. That Army is now occupying mixed communities, and forcing the Croats and Muslims to leave. But they have to fight the purely Croatian and purely Muslim communities as well if they want that plan to succeed, because they have to diminish the defense abilities of the Croats and Muslims. That is the scenario that has been put into practice now.

Izetbegovic's Failure

[Dujmovic] Serbian crimes have reached their peak with the bombing of Croatian shrines. Alija Izetbegovic did blame General Adzic for that, but do you think that the Bosnia-Hercegovina political leadership should have done more?

[Mesic] The Bosnia-Hercegovina leadership should have done something a long time ago. Now it can do nothing. When I say a long time ago, I mean when Croatia and Slovenia proposed individualization, when they put forward the concept of confederalization, which the other republics did not accept, particularly Serbia, who

ignored it completely. Serbia, of course, does not want any relations based on equality. Serbia is only interested in "Greater Serbia," although they are trying to deceive the world by pretending they want a Yugoslavia. Anyway, when we offered this confederal concept, the leaderships of Bosnia-Hercegovina and Macedonia should have accepted it, and we would have gone into individualization, with the open possibility of association on the basis of interest. But they did not accept it. Instead, Bosnia-Hercegovina started negotiating with Serbia about some sort of a modern federation, which encouraged the aggressor, and, at the same time, gave America the impression that Yugoslavia was still possible. It allowed America to think that Yugoslavia could survive. America wanted Yugoslavia to survive, and the hesitation of Bosnia-Hercegovina and Macedonia only strengthened the belief that it could. That is why it did not discourage the aggressor, otherwise it would have had a stronger reaction than simply an appeal.

Recognition by United States—New Reality

[Dujmovic] America has recognized both Croatia and Bosnia-Hercegovina. Does that mean that the things we have just spoken about are all a matter of history? Has everything completely changed now?

[Mesic] Yes, the situation has absolutely changed. It is obvious that the American Administration has realized that Yugoslavia is over and done with, and that we are now seeing a textbook example of aggression. This new reality has got to be recognized, that is, that new elements have inherited ex-Yugoslavia, and now, in my view, America should be far more effective. Its earlier reluctance encouraged the aggressor, and now America should remove Yugoslavia's legitimacy, which would discourage the aggressor to the point of realizing that aggression does not pay, and the borders cannot be changed.

[Dujmovic] In the context of altered circumstances, do you think we can expect more intense consideration in the UN on sending military troops into Bosnia-Hercegovina?

[Mesic] American recognition of these new states is bound to encourage many countries to accept the new reality. That will probably influence the UN view on using the "blue helmets" in this war that has been imposed on Bosnia-Hercegovina.

[Dujmovic] I would like to ask you about something bizarre. How would you explain the appearance of Tito's pictures during the demonstrations in Sarajevo? I am afraid that it only served to further confuse the already confused image the foreign media has of this region.

[Mesic] It was an obvious swindle. It is a conspiracy, because, on the one hand, Montenegro changes Titograd into Podgorica, removes Tito's pictures, the Army does the same, in Serbia there is a whole campaign against Tito and his inheritance going on, and then suddenly in Sarajevo there appear those who want to build Yugoslavia with Tito. With whom? In the name of what? It is obviously a swindle, and they are hoping they will not be discovered. The Army is behind it, and behind the Army is Serbia, thinking it can drop a cuckoo's egg in Bosnia-Hercegovina, and get away with it.

Kucan Holds Talks With Vance on Bosnia

LD1704203292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1900 GMT 17 Apr 92

[Text] Ljubljana, 17 Apr (TANJUG)—"The key to solving the Bosnia-Hercegovina crisis is in the Yugoslav People's Army's [JNA] hands," Cyrus Vance, the UN secretary general's special envoy, said this afternoon during his talks with Milan Kucan, president of the Slovene Presidency, held in the Mokrice Castle on the border between Croatia and Slovenia. According to Vance, information on the events in Bosnia-Hercegovina are contradictory and it is very hard to establish the truth. In any case, he added, talks under the auspices of the EC should be continued immediately, and in this context work on the cantonization of the republic should be resumed.

Talking about the Army, Vance said that all sides involved in the conflict in Bosnia-Hercegovina are convinced that the Federal Army cannot leave the republic's territory at this moment, because there is no other force which can intervene between the warring sides. The Croatian and Muslim side also believe this, but they are still convinced that the Army will have to leave Bosnia-Hercegovina.

In talks with Kucan, Vance was also asked about possible military intervention on the territory of former Yugoslavia, and the UN envoy answered that consent of the European countries is necessary for such an action. "There is no such consent now," Vance said.

Islam Seen as Reason for U.S. Pressure in Bosnia

AU1604124092 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 16 Apr 92

[Edo Zitnik commentary]

[Text] When U.S. Secretary of State James Baker arrived in Belgrade last spring, where he met separately with the presidents of the Yugoslav republics, he commented on everything that he had heard by saying: All of them except Alija Izetbegovic [president of the Bosnia-Hercegovina Presidency] are communists.

Perhaps this typically American remark most faithfully illustrates the U.S. stance toward resolving the Yugoslav crisis, as all this time the United States has perceived Bosnia-Hercegovina's president as the only sincere supporter of Yugoslavia.

Therefore, it is not a coincidence that Baker, after he listened to the desperate calls for help from Izetbegovic's foreign minister [Haris Silajdzic] on 14 April, decided to help the United States' only true ally on the territory of Yugoslavia with a gesture that we have seldom witnessed in Baker's diplomatic carrier. Baker turned the legendary slow and inert transatlantic ship of U.S. foreign policy instantaneously in a direction that would hardly be expected from a diplomat who used to point out to the Europeans over and over again that the Serbs were not the only ones responsible for the Yugoslav drama. With what was nearly a proclamation of war to Belgrade, Baker stepped out of the shadow of Genscher's formula of recognizing the republics in exchange for peace and applied a classic U.S. method in resolving regional conflicts —the argument of force.

Of course, it would be too simplistic to explain this turn as Washington's desire to confront the EC with its powerlessness. In view of the coordinated action by the EC, the CSCE, the United Nations, and of course, the United States, it appears that in the case of Bosnia-Hercegovina it was more the collective will of the international community—which is not yet capable of realizing its aims through the United Nations—that has been applied.

In view of all this one could ask why didn't Washington, instead of saber rattling, pay for the deployment of the blue helmets in Bosnia-Hercegovina. The hint of military intervention is, of course, much cheaper than making payments into Butrus Ghali's bottomless pit of peace.

The U.S. peace in Bosnia now, besides the threat to Serbia, at the same time is also an indirect warning to the territorial appetites of [Croatian President] Tudjman. And there is also something that Baker, although perhaps in another context, noticed last year. Alija Izetbegovic is not a communist. He is a Muslim who would eventually be supported by the Arab Muslim world in his liberation struggle. From here onward, the scenario for NATO, the EC, and for some others also, is sufficiently black to prove that, at least to U.S. eyes, it certainly pays to nip the war in Bosnia-Hercegovina in the bud.

International

U.S., Germany, Austria Reportedly Supplying Arms

LD2104142592 Belgrade TANJUG in English 1048 GMT 21 Apr 92

[Text] Belgrade, April 21 (TANJUG)—Weapons used by para-military formations of the breakaway Republic of Croatia, which launched an aggression on the Yugoslav Republic of Bosnia-Hercegovina (BIH), mostly arrive from Austria, Germany and the United States.

"There are 155 mm howitzers and large quantities of U.S.-made grenades on part of the front in the Neum and Capljina districts in Western Hercegovina", commander of the Podgorica command of the Yugoslav People's Army (JNA) Major-General Radomir Damjanovic said in a statement carried by the Belgrade dailies POLITIKA EKSPRES and VECERNJE NOVOSTI. Damjanovic specified that the Croatian irregulars also possess leopard tanks, armbrust missiles and Austrian infantry weapons. The Croatian Democratic Union (HDZ), the seat of which is in Zagreb, holds military and political power in Western Hercegovina. The Croatian irregulars have been joined by over 15,000 troops of independent Croatia's armed forces in fighting the Serbian people and the JNA. Their aims is to annex this part of Bosnia-Hercegovina to Croatia.

Damjanovic says that Croatia is now mobilizing new troops—650 on the Adriatic Island of Hvar and 1,250 in the Adriatic resort of Makarska. Fighters from Zagreb are also headed for the Herzegovina front, VECERNJE NOVOSTI writes.

POLITIKA EKSPRES specifies that two brigades of Croatian irregulars have left the Croatian capital. The Belgrade daily POLITIKA today writes that over 20,000 people have been mobilized in the Zagreb area, that the Croatian National Guard units, which arrived in Listice from Split, number around 10,000 men, and that two Croatian battalions—one from Zagreb, the other from Sisak—arrived in Suice . The son of Croatian President Franjo Tudjman is in the Croatian para-military formations in Neum, VECERNJE NOVOSTI writes.

Damjanovic warned that the "Croatian irregulars are preparing an offensive against the JNA and Serbian villages in Eastern Hercegovina", a region mostly populated by Serbs, POLITIKA EKSPRES writes. Damjanovic corroborated his warning by citing the fact that "three thousand Ustashas, who are soon to head for Western Hercegovina and join in the fighting against the JNA, are being trained in Dusseldorf. The German authorities are aware of this".

Ustashas were military fascist formations of the World War Two independent state of Croatia (NDH), founded under the auspices of Nazi Germany. Around one million Serbs, Jews and Romanies were killed in NDH. Seven hundred thousand of them lost their lives in the infamous Ustashi camp of Jasenovac.

Twenty-eight buses arrived in the Western Hercegovina town of Livno during the week-end, carrying "specially-trained well-armed Ustashas, who will join the army of the Croatian Defence Forces".

The Croatian Defence Forces (HOS) are armed formations of the extremist pro-fascist Croatian Party of Right. The Belgrade daily also cites facts learned from "Army sources" that 20 thousand tons of cement arrived from Albania for the Croatian forces' new trenches, pillboxes and cannon bases and that Croatians have been getting arms through the Catholic humanitarian organization "Charitas".

Croatian irregulars have stocked large quantities of explosives, ammunition, sanitary material, medicaments and other equipment in the Franciscan Monastery Gorica in Livno, POLITIKA writes today.

Reaction to Bosnian Recognition Viewed

AU2104112692 Belgrade BORBA in Serbo-Croatian 9 Apr 92 p 19

[Commentary by Gordana Logar: "Everything was Certain"]

[Text] Different reactions to the decision made by the EC, and now the USA, to recognize the independence of Bosnia-Hercegovina (Croatia and Slovenia) are logical only to the extent that all moves concerning serious matters are inevitably accepted with mixed reactions and feelings.

But the one surprising element in the reactions is the open astonishment with which these decisions have been greeted here, particularly the EC one on Bosnia-Hercegovina. Because if anything was bound to happen—despite all the efforts to prevent it, including armed conflicts (but because of them, too)—then it was exactly this recognition. There had been clear indications, individual and joint, to that effect from Brussels. So it comes as no surprise that the latest decision from Luxembourg was commented on most objectively by a professional—Mr. Jovanovic, minister of foreign affairs of Serbia.

After 10 March, and the meeting of the 12 with James Baker, it became perfectly clear that as soon as the EC recognized Bosnia-Hercegovina, Washington would recognize Zagreb and Ljubljana. In Belgrade the following day, on 11 March, Warren Zimmerman, American ambassador, started using the expression "new Yugoslav reality," and introduced 5 conditions to be complied with if the previous Yugo-republics, including Serbia and Montenegro as a possible new Yugoslavia, were to be recognized as independent states. But he particularly emphasized Washington's (and EC's) insistence on respecting borders and minority rights within each of them.

That was a clear enough message that the present outcome was to be expected, first from Luxembourg, and then from Washington. This outcome, which some see as just and others as unjust, is not a "scenario," as it has

been dubbed here by some (according to the old domestic terminology, that inevitably indicates "conspiracy"). In all this, the so-called German factor is no longer so important. It has been, and still is, overexploited, and although it is simply a waste of time, it is very effective in stirring passions.

Europe, in the shape of the EC and USA, has done in Bosnia-Hercegovina (Croatia and Slovenia) what it failed to do when ex-Yugoslavia started breaking up, and when it was late in recognizing that their verbal support of the unity of any kind of a community was not enough. Now it is only experience on which they have obviously based a new strategy and will not step away from it unless it concerns a member of their own family, as is the case with Macedonia.

When Yugoslavia started to break up from within (just like the USSR), they began recognizing new little states with a clear warning that every one of them had to respect its neighbors. For this reason one should not exclude the possibility that the EC and USA could find ways (sanctions or something else) of putting pressure on Zagreb to give up on western Bosnian territories, and also on Belgrade regarding eastern Bosnia, calling on the principle of good neighborly(!) relations, and proclaiming the newly arrived military formations to be foreign forces. By respecting the AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia] borders, which barely exist any more, Brussels and Washington are sticking firmly to the principle that borders cannot be changed by force, which has never been disputed anywhere in the world. At the same time, the possibility cannot be discounted that something might be done in that respect at the peace conference (when a lasting peace is established with the help of the UNPROFOR), but it all depends how "cooperative" everyone is around Carrington's table.

Because of all this—regardless of the intentions and political wisdom of the great, or lack of same—the responsibility for what is happening now (as well as for the general collapse of the system, and the war) lies with our domestic factor—for deceiving the public that the outcome in Brussels and Luxembourg could have been different. With this deception they did not instigated hope, but conflicts, even among those people who were not initially willing to reach for arms.

Aid Said Not Reaching Intended Destinations

LD2104210292 Belgrade TANJUG in English 1419 GMT 21 Apr 92

[Text] Belgrade, April 21 (TANJUG)—Aid sent by the United Nations Children's Fund (UNICEF) to [word indistinct] in Yugoslavia, especially that to the Republic of Bosnia-Hercegovina, is not reaching intended destinations, UNICEF official Georges Bourgoignie said today. Shipments are disappearing after attacks by various armed groups on trucks carrying relief for children refugees, he added. Bourgoignie, who heads the UNICEF office for southern Yugoslavia, said at a press conference in Belgrade that the UNICEF Headquarters in New York had sent a warning that the organization would stop all activities unless safe transportation of relief has been secured.

This humanitarian organization has earmarked one million dollars worth of humanitarian aid for children in Bosnia-Hercegovina, but the problem of transportation has not yet been solved.

UNICEF has appealed to all factors in Yugoslavia, especially Bosnia-Hercegovina, to protect children in areas where fighting is taking place.

Bourgoignie strongly denied any link between indications of a possible cessation of UNICEF activities in Yugoslavia and fresh sanctions against Yugoslavia announced by the United States and the European Community.

In our case, involved is strictly humanitarian action which is in no way linked with any political and diplomatic manipulation, said Bourgoignie.

Macedonia

Night Intruders in TANJUG Skopje Office

LD2104171992 Belgrade TANJUG in English 1620 GMT 21 Apr 92

[Text] Skopje, April 21 (TANJUG)—Unknown persons on Monday night broke into TANJUG's offices in Skopje, capital of Yugoslav breakaway Republic of Macedonia. TANJUG's correspondents, who were unable to enter their offices this morning as all the locks had been changed, could only conclude the repetition of the Zagreb and Sarajevo scenario of attacks on TANJUG.

The TANJUG offices for Macedonia are situated close to the republican parliament (Sobranje) building. The police told the editor-in-chief to inform the first police station of Skopje. In the Macedonian Information Ministry, Minister Martin Trenevski (TANJUG's former Austrian correspondent) told TANJUG that the facilities are the property of the state of Macedonia.

He also said that "individuals in the Macedonian government are behind this."

Assistant Information Minister Janko Nikolovski told TANJUG that the Skopje-based TANJUG offices should be in the possession of Macedonia. This only leads to the conclusion that the raid on the TANJUG offices was conducted from "high places."

Representatives of Macedonian President Kiro Gligorov told TANJUG that the president disapproves and condemns such "methods" and that he urges the resolution of the matter in a legal, democratic and just way. The midnight "visitors" of TANJUG's offices broke the Macedonian constitution and laws by carrying out the action without a court order or any other kind of official document. TANJUG's offices remained closed at 5:00 P.M.

Montenegro

Number of Private Firms Reported Increasing

LD2104134392 Belgrade TANJUG in English 0817 GMT 21 Apr 92

[Text] Podgorica (Titograd), April 21 (TANJUG)—Around 4,000 private firms have been founded in the Yugoslav Republic of Montenegro so far, which is around four percent of the total number of private firms in the area of Yugoslavia. According to an agency for restructuring the economy of Montenegro, the republic accounts for less than two percent of the social product of Yugoslavia, so that the rise in private firms is taken as evidence of a very pronounced liberal economic policy in the republic.

Representatives of the Montenegrin Agency for Restructuring underscored that even the largest socially-owned enterprises in the republic will not be spared the process of privatization, including the aluminum complex in Titograd and the iron and steel works in Niksic. Evidence of a liberal economic policy in Montenegro is further supported by the fact that private banks from other areas of Yugoslavia are moving their capital to this republic.

The government of this republic, as learned, is preparing a new tax policy, similar to the one in Cyprus, which should ensure a further business boom through lower taxes.

Serbia

Consultations Begin With EC, U.S.

LD2104124292 Belgrade TANJUG in English 1152 GMT 21 Apr 92

[Text] London, April 21 (TANJUG)—Top-level consultations on the United States' and European Community's intention to break off diplomatic relations with Serbia are under way and a final decision will be reached late this week, as was unofficially learned from well-informed sources in London.

It seems that yesterday's talk between Serbian President Slobodan Milosevic and U.S. diplomat Ralph Johnson will considerably influence the final decision.

BBC and ITV agree in their initial assessments of the talks that Milosevic rejected Washington's allegations of Serbia's alleged agression against multi-ethnic Bosnia-Hercegovina. They conclude that there has been no rapprochement between Belgrade and Washington and that diplomatic relations can be expected to be broken off already next week. London diplomatic sources already anticipate a scenario and the order of moves the USA and EC will make against Serbia. Yugoslavia (now represented by Serbia and Montenegro, two of the former six republics) is first to be ousted from the CSCE on April 29 and Western countries are to break off diplomatic relations with Serbia on May 1-2.

One version is that the relations will be completely broken off, another that the ambassadors will be withdrawn, embassy staff reduced and trade branch offices closed down. This move is to be followed by the Western countries' request to the United Nations Security Council to introduce the strictest possible sanctions against Belgrade (economic blockade, suspension of railway and air traffic, confiscation of hard currency reserves, suspension of Yugoslavia's membership in the International Monetary Fund and the World Bank). These steps may be followed by even more drastic measures.

British circles assess that the last effort to overcome the dramatic situation is the upcoming visit of Lord Carrington, the chairman of the Peace Conference on Yugoslavia, who is to arrive in Belgrade this Thursday. There is no doubt that the whole sanction mechanism will be put into operation if he does not succeed. British TV stations this morning interpret today's heavy fighting in Sarajevo as an indication that no compromise will be reached and that difficult, even dramatic times await Serbia.

Parliament Leader Holds Talks in Washington

LD2204092992 Belgrade TANJUG in English 0613 GMT 22 Apr 92

[Text] Washington, April 22 (TANJUG)—Serbia urges a peaceful and political solution of the current situation in Bosnia-Hercegovina, Serbian Parliament Vice-President Vukasin Jokanovic said in Washington Tuesday evening.

In his talks with State Department officials, Jokanovic underscored Serbia's opposition to employing force and its acceptance of any agreement reached by the repesentatives of the three peoples living in the central republic.

In the State Department, Jokanovic held separate talks with Michael Habib, who is in charge of the East Europe and Yugoslav sector, and Mike Arietti, head of the human rights sector. The hosts expressed the U.S.' concern over the developments in Bosnia-Hercegovina and underscored the unacceptability of outside involvement. Jokanovic said Serbia urged a peaceful solution which should be found with the help of the peace conference on Yugoslavia, as well as negotiations of the three national groups in Bosnia-Hercegovina with the mediation of the European Community.

Bozovic on Visit to PRC, New Business Prospects

AU2104112992 Belgrade BORBA in Serbo-Croatian 8 Apr 92 p 14

[Report by Milovan Jaukovic: "Optimism Reserved for Home Only"]

[Text] The visit of Dr. Radoman Bozovic, premier of Serbia, to China has been greeted in the Serbian state-held media with what can only be termed as euphoria. One almost gets the impression that the Chinese have only been waiting for Bozovic to step on their soil, for

some mutually controversial trifles and procedural problems to be sorted out, and they could start the "business of the century" with Serbia. Mostly because of the alleged Chinese sympathies for "Serbia's consistent struggle against secession, and for the preservation of the continuity of Yugoslavia"!

Best wishes and optimism (mostly inspired by daily political needs) have always abounded in the aforementioned communities, but have, in most cases, been quite unfounded.

Beijing and the Yugoslav crisis

First of all, the fact is that from the outset of the Yugoslav crisis China has supported the principled view that it should be solved through a political dialogue of all concerned, without any outside interference and imposed solutions. It is also true that China considered that the integrity of Yugoslavia, as a country that participated in the creation of the UN, should be preserved by all means. However, it is also true that the Chinese leadership has never been too keen on the politics of Slobodan Milosevic, regarding him the most responsible for the awakening of nationalism. The same way as it has regarded Tudjman and Kucan as the long arm of foreign intervention in the internal affairs of Yugoslavia.

Of course, there is no doubt that official Beijing will support the international legal existence of Yugoslavia, and the continuity of the country as an expression of the will of those people who accept that continuity. It is also beyond any doubt that China does not accept secessionism in principle, particularly because of its own internal fears, but the Chinese have at least learnt to be extremely realistic through the 2,000 years of their statehood tradition.

The Chinese participants in the talks have confirmed to Bozovic that they will not accept secessionism until a global political solution to the Yugoslav crisis is found, but that does not automatically mean that they will not recognize Slovenia and Croatia, particularly if it is forced onto them as unavoidable. One does not come to such a conclusion merely on the basis of Beijing's reaction to the disintegration of, let us say, the Soviet Union, but the following example is also indicative. The ministers of foreign affairs of Slovenia and Croatia, Rupel and Separovic respectively, have recently had separate, private visits to Beijing, but were received by Qian Qichen, their Chinese counterpart.

The conviction that the Chinese will, because of certain political sympathies for Serbia exclusively, engage overnight in big business with this republic is obviously unfounded.

The Background to Optimism

The Chinese, pragmatic and skilled in trade as they are, will not fall for "sweet talk," nor will they be ready to open their purse just because of some ideological and political sentiments and sympathies. Kim Il-Song, the Korean leader, felt that at first hand. In brief, the Chinese are ready to do business with anyone on the principle of first come, first served—who offers the best deal, and primarily who offers what is useful for China and promises profit.

Objectively speaking, the chances of the Serbian economy doing the "business of the century" with China are strictly in the sphere of the theoretical. China is primarily interested in capital investment, and the import of state of art technology. Just for the import of technology China will spend, in the next five years, $315 billion. It is completely unfeasible to imagine that Serbian economy can compete, in the fields of investment and technology, and in terms of quality and price, with Germany, Japan, America, and Italy.

On the other hand, anyone who has had a chance to see the windows of Chinese shops will know that they do not lack consumer products. To be perfectly honest, they are cheaper and of better quality than the things offered by Serbia. Therefore, the only business Bozovic will probably be bringing back home will be a contract that the already imported oil from China will be paid for by domestic exports.

The real background for optimism, which seems to be reserved only for "home," can be illustrated by the fact that Premier Bozovic asked Serbian businessmen in Beijing to be more pragmatic, and not to have illusions about "big business" in China.

Bozovic Denies Territorial Claims

LD2204024792 Belgrade TANJUG in English 0209 GMT 22 Apr 92

[Text] Belgrade, April 21 (TANJUG)—Serbian Prime Minister Dr Radoman Bozovic said in an interview for television network Sky News that "Serbia does not have territorial claims on any republic, including Bosnia-Hercegovina" and that the "Serbian government recognizes the borders and territorial integrity of the republic."

Bozovic underscored that the government is undertaking a series of concrete measures to thwart all attempts by armed individuals from Serbia to take part in the war clashes in Bosnia-Hercegovina.

He said that "paramilitary formations are prohibited in Serbia by law and their possible activity is strictly sanctioned." Bozovic dismissed any possibility for the Serbian government to in any way lend them support. Bozovic invited representatives of the European Community (EC), the United Nations (UN) and the Conference on Security and Cooperation in Europe (CSCE) to ascertain this for themselves.

Noting that the U.S. recognition of Bosnia-Hercegovina's independence to a certain extent contributed to the intensification of the crisis, Bozovic

expressed the conviction that the clashes in Bosnia-Hercegovina should be resolved within a peace conference and agreement of all three consitutuent peoples. It was agreed at the conference on Bosnia-Hercegovina, held under EC auspices, that Bosnia-Hercegovina be a sovereign state composed of constituent units on the national principle and by taking into consideration economic, geographic and other criteria.

The EC on April 6 recognized the independence of Bosnia- Hercegovina. On the following day, Serbs proclaimed the independence of their own Serb republic of Bosnia-Hercegovina, opting for remaining in Yugoslavia. Moslems in Bosnia-Hercegovina account for 44 percent of the population, Serbs for 32 percent and Croats for 17 percent. Expressing the conviction that the truth about Serbia will dissuade the U.S. and European countries from undertkaing economic sanctions, Bozovic underscored that it is in the interest of capital and the market to prevent this isolation.

"In any case", he said, "Serbia will not undertake any counter measures."

SPS Says Inter-Ethnic Relations Protected

LD2104171692 Belgrade TANJUG in English 1342 GMT 21 Apr 92

[Text] Belgrade, April 21 (TANJUG)—Serbia has nothing to be ashamed of regarding the position and protection of the rights of ethnic minorities, the committee for inter-ethnic relations of the ruling Socialist Party of Serbia (SPS) announced today.

"National freedoms, equality and inter-ethnic tolerance are not the tactics but the strategy of Serbia," according to Miroslav Markovic, member of the SPS executive committee. The discussion has shown that Serbia must not yield to pressure and accept a new balance of power in Europe and the world at the expense of its national interests.

Markovic underscored that through ethnic minorities, efforts are made to destabilize and destroy Serbia, and most often to internationalize maliciously the problem of Kosovo, Serbia's southern province in which there exists a strong separatist movement of ethnic Albanians.

Ethnic Hungarian Demands Seen as Provocation

LD2104224892 Belgrade TANJUG in English 2044 GMT 21 Apr 92

[Text] Kikinda, Yugoslavia, April 21 (TANJUG)—The demand for personal autonomy by the Democratic Community of Vojvodina Hungarians in some municipalities of northern Vojvodina is a direct attack on the Republic of Serbia. This was assessed at a meeting of representatives of the socialist party of Serbia from six municipalities with a majority Hungarian population in the north of the Serbian province of Vojvodina. The April 1991 census showed that Hungarians account for 3.5 percent of the 9.8 million strong population of the Yugoslav Republic of Serbia.

Such demands, it was said, as well as unfounded stories about some kind of threat to ethnic Hungarians in Vojvodina, are all part of constant pressure by extremist and separatist forces rallied not only around the democratic community of Hungarians, but also the Democratic Alliance of Croats in Vojvodina and the League of Social Democrats of Vojvodina.

Although national minorities in Vojvodina and Serbia in general enjoy all rights under international standards, extremists of the Democratic Community of Vojvodina Hungarians are trying to provoke ethnic hatred and conflicts with these methods, a statement released after the meeting said. These activities are aimed against Serbia, against the peaceful coexistence of Serbs and Hungarians, the statement added.

The Socialist Party of Serbia believes that most ethnic Hungarians will not allow themselves to be mislead and persuaded into quarreling with their good neighbours, the statement underscored in closing. Meanwhile, the Patriotic Royalist Club of Young Serbs of Novi Sad, the administrative center of Vojvodina, today warned the public and state organs of the republic of Serbia that "the Hungarian secessionist party the Democratic Community of Vojvodina Hungarians, guided by the official policy of its parent state, the Republic of Hungary, is trying to secede parts of Vojvodina from Yugoslavia and annex them to Hungary."

Over 217,000 Refugees Registered

LD2104210792 Belgrade TANJUG in English 1350 GMT 21 Apr 92

[Text] Belgrade, April 21 (TANJUG)—There were 217,089 refugees registered in the Yugoslav Republic of Serbia on Tuesday, the latest reports by the Red Cross of Serbia show. Of this figure 50,006 are from the ethnically turbulent Yugoslav Republic of Bosnia-Hercegovina. Refugees in Serbia also seek Moslems who disagree with the agressive policy of the majority Moslem population of Bosnia. Compared to yesterday, the number of registered refugees rose by 4,918.

Muslim Forces Reportedly Attack Serbs in Bosnia

AU2104200092 Belgrade Radio Beograd Network in Serbo-Croatian 1912 GMT 21 Apr 92

[Excerpt] [Announcer] We are again returning to the situation in Bosnia-Hercegovina, or to be more precise, in Sarajevo. Our colleague Risto Djogo is waiting for our telephone call. I hope that we have him on the line now. Good evening, colleague Djogo. Do you hear us?

[Djogo] I do. Good evening, although the situation in Sarajevo is not good.

[Announcer] Yes, we know. In any case, you wanted to speak directly on our program to present us with the latest information on what is happening in the capital city of Bosnia-Hercegovina. What is going on?

[Djogo] The Serbian territorials are trying to defend their positions with superhuman efforts. At about 2100 [1900 GMT], more than 1,000 members of the Muslim paramilitary formations started an attack on the Serbian district of Vrace from the direction of Zlatiste and Colina Kapa. Numerous Muslim units are advancing from the direction of Grbavica District. These units have destroyed all Serbian houses around the Jewish cemetery, near the Kovacici District, in their crazed attack.

There is at least one good piece of information. This evening, the Serbian territorials from Brijesce successfully repelled the attack by the Muslim paramilitary formations on a gasoline station from the direction of Stupska Petlja. One must know that Stup and Stupska Petlja are held by the Croatian forces, the HOS [Croatian Defense Alliance], and the Croatian National Guard. They erected their barricades there today.

It is already known, and the army reported this on a delayed basis, as it usually does, that eight brigades and 80 tanks came to Bosnia-Hercegovina from Croatia. Of course, for Alija Izetbegovic and the leadership of Bosnia-Hercegovina, this does not represent an attack on Bosnia-Hercegovina because they are simply conducting the same policy. Everything that had been happening in Croatia is now happening in Bosnia-Hercegovina. Judging from the reaction of the Serbian territorials and the citizens of Serbian nationality, it appears to us that the army is still making calculations about its positions in Sarajevo itself and Bosnia-Hercegovina.

At a news conference today, Alija Izetbegovic even praised the Second Military District, in contrast to the Fourth Military District, which is operating on the territory of Hercegovina. A crazed campaign is being waged against the Fourth Military District of General Perisic, who is energetically responding to all attacks in Hercegovina, while the army in Sarajevo is issuing statements.

Perhaps we are wrong in our assessments. It would be good if we were. However, our contacts with the army leaderships of the Second Military District today show that they are observers, although not in white uniforms as those who came from Europe.

Radovan Karadzic, president of the Serbian Democratic Party, and Momcilo Krajisnik, president of the Assembly of the Serbia People of Bosnia-Hercegovina, are presently holding talks with the Europeans while Alija Izetbegovic is commanding his units from Sarajevo. Europe has its tactics in Sarajevo, too. [passage omitted]

Forming of Bosnian Green Berets Detailed

92BA0781C Belgrade POLITIKA in Serbo-Croatian 9 Apr 92 p 6

[Article by Zorana Suvakovic: "Juka Prazina at the Head of the 'Green Berets'"]

[Text] On Sarajevo television the day before yesterday, none other than a Sudanese delivered a moral sermon to the citizens of Sarajevo about how ugly it is to steal and loot even if you are hungry. Not a word about the terror committed in the name of Allah against the non-Islamic population by the "Green Berets," which citizens cut off in the city on the Miljacka have been reporting to us in panicky fear.

A few months ago, the public talk began about the "Patriotic People's League" as the inception of a Bosnian army, which, as it was designedly represented to the world, should be formed after the "Swiss model of defense," with the participation of all three nationalities and with a pronounced neutral position.

The Beginning—The Crisis Command Centers

A certain "Colonel Bosnjak" at one time explained to VECERNJE NOVINE of Sarajevo that the "Patriotic League" is made up of all nationalities of B-H [Bosnia-Hercegovina], that it was formed some six months ago, that it is financed with donations of citizens from abroad, that its armament includes Stinger and Panzerfaust missile systems, the most recent kalashnikovs, the AK 74, "Wasps," "Hornets," mortars from 40 to 82 mm, and he refused to speak about the artillery available, but he complained in passing that "they still do not have a navy and air force." At the beginning of March, the colonel with the pseudonym judged that the figure which put membership in the league at 50,000 was "rather out-of-date."

Citizens of Sarajevo have become aware of this in recent days, when the "Green Berets" flooded the city and initiated the terror without any obstacles against all those who do not bow to Allah.

Attentive analysts note that the decision to form the Muslim army was made under the sponsorship of Alija Izetbegovic, when early last June, in a meeting of the caucus of the SDA [Democratic Action Party] deputies in Sarajevo, the current president of the B-H repeated his convictions concerning the need to create a Muslim state, after which the leaders of that party formed military crisis command centers over the entire territory, alongside the political command centers. Izetbegovic traveled to Islamic countries in order to realize his objectives, and some 10 days ago he returned from Libya. Just as in the time of nonaligned Yugoslavia, the Islamic leaders from the entire world have been fervently aiding B-H, so that now that the objective of forming a Muslim state in Europe is closer than ever, they have offered the Islamic leader whatever he requested.

The Sarajevo media speak today about the "Green Berets" as the "official army of sovereign Bosnia," while all other formations are referred to as paramilitary. The most militant members of the Muslim army, according to those familiar with Bosnian affairs, are those who have come from Sandzak, who in recent months have flooded Sarajevo, building magnificent villas on sites where it was impossible to obtain building permits. In addition to them, along the green transverse route, Muslim guest workers have also arrived, and their representative is certainly the moral Sudanian who for some reason considers himself called upon to deliver sermons over television.

The Sarajevo Muslim army, so it is said in well-informed circles, is under the direction of Juka Prazina, a criminal with a world reputation, while the republic army is most probably headed by former officers of the JNA [Yugoslav People's Army] who in good time began to bow not only to Broz, but also to Allah.

Only the Serbs Are a Paramilitary Force

Since slightly more than eight months ago, when Alija Izetbegovic and Stjepan Kljuic officially appealed to Muslims and Croats from Bosnia not to respond to recruitment, only Serbs have been recruited into the JNA from the territory of this republic.

According to military estimates dating from some three weeks ago, there were on the territory of Bosnia and Hercegovina about 100,000 members of various paramilitary formations. The JNA, with 130,000 men, was among the strongest armies in Europe in the last decade! The 2d Military District estimated at that time that the Muslim paramilitary formations had 60,000 people, the Serbian "White Eagles" 30,000, and the Croatian HOS [Croatian Armed Force] and ZNG [National Guard Corps] about 15,000.

It is a guessing game as to whether these estimates were accurate and whether in the meantime certain ethnic ranks have been replenished and reinforced from abroad, and some diminished. The only thing that is clear is that so far the official Bosnian media refer only to the Serbian territorial defense forces as paramilitary, while the "Green Berets" are openly represented as military formations in defense of sovereign Bosnia. It, as Alija Izetbegovic sketched it out in his Islamic Declaration, must be a Muslim state in which Islamic laws will prevail, and that will be seen to by the Muslim army.

Izetbegovic did not spell out the manner in which Allah's order would be enforced in multinational Bosnia. The important thing, as Allah teaches, is to achieve the end, regardless of the means.